

A woman with a joyful expression is the central focus. She is wearing a bright orange polo shirt with a small logo on the chest and a vibrant, multi-colored patterned wrap around her waist. She is kneeling on the ground, which appears to be a dirt area with some dry vegetation. In the background, several other people, some wearing orange shirts, are visible, suggesting a community or work-related setting. The overall scene is bright and sunny.

Private Sector Engagement at CRS

Theory of Change, Key Metrics
and Learning Agenda

Copyediting: Lisa Ritchie
Layout and design: Stella Pongsitanan
Cover photo by Jake Lyell

©2021 Catholic Relief Services. All Rights Reserved.

This document is protected by copyright and cannot be completely or partially reproduced without authorization. Please contact impactinvesting@crs.org for authorization. Any “fair use” under US rights law must contain the appropriate reference to Catholic Relief Services.



Private Sector Engagement at CRS

Theory of Change, Key Metrics
and Learning Agenda

Acknowledgements

Private Sector Engagement (PSE) Theory of Change Core Team

Beth Collins, Marcia Croft, Sarah Forcino, Gabby Gueye, Ana Ochoa, and Josh Voges.

Alexandra Miehlbradt and Nabanita Sen Bekkers are the authors.

Contributors and Reviewers

Special thanks to Heather Dolphin and Julie Ideh for providing extraordinary guidance during the development of this resource. The generous support from the following colleagues across the agency in contributing to and refining the document is also greatly appreciated:

Sarah Ali	Alan Cuadrado	Gabriel Mbokothe
Ben Allen	Valerie Davis	Hannah McLafferty
Alberto Andretta	Carlos Aguilar Delfin	Anna Nadal
Erin Baldrige	Haydee Diaz	Joanna Ramos-Romero
Dan Barthmaier	Jessica Ditmar	Anne Sellers
Nell Bolton	Linda Gamova	Analese Snyder
Dina Brick	Michele Gilfillan	David Tsetse
Ana Calderón	Veronica Gottret	Jenny Weatherall
Tawonga Chunda	Beth MacNairn	Lauren Williams

Table of Contents

Acronyms	vi	5 Key Metrics to Assess the Performance of CRS' Work in Private Sector Engagement	27
1 Introduction	1	6 Private Sector Engagement Learning Agenda	33
2 Private Sector Engagement in CRS Programming.....	3	6.1 Learning Questions.....	35
3 The Rationale for Private Sector Engagement	9	6.2 Gathering and Analyzing Information on the Learning Questions	41
3.1 Engaging with Private Sector Enterprises can lead to Sustainable Solutions.....	13	6.3 Revisiting the Learning Agenda and Disseminating Findings.....	42
3.2 Engaging with Private Sector Enterprises can help to Reach People at Scale.....	14	7 Next Steps	43
3.3 Engaging with Private Sector Enterprises can Promote Local Leadership	16	Annexes	47
3.4 Engaging with Private Sector Enterprises can Improve Program Effectiveness.....	17	Annex A: Examples of How Projects Integrate Private Sector Engagement.....	48
3.5 Engaging with Private Sector Enterprises can Increase Award Competitiveness and Access to Funding.....	18	Annex B: Details of Key Metrics	73
4 Private Sector Engagement Theory of Change.....	19		
4.1 Goal Area 1: All People Live in Just and Peaceful Societies.....	22		
4.2 Goal Area 2: All People Survive and Thrive in the Face of Disasters.....	23		
4.3 Goal Area 3: All People Achieve Dignified and Resilient Livelihoods in Flourishing Landscapes.....	24		
4.4 Goal Area 4: All Children Reach their Full Health and Development Potential in Safe and Nurturing Families.....	25		
4.5 Goal Area 5: All Youth Are Empowered to Thrive.....	26		

Acronyms

CRS	Catholic Relief Services
IT	Information technology
MEAL	Monitoring, evaluation, accountability and learning
PSE	Private sector engagement
SILC	Savings and Internal Lending Communities
SMILER	Simple measurement of indicators for learning and evidence-based reporting
ToC	Theory of change
VAT	Value-added tax
WASH	Water, sanitation and hygiene

1

Introduction



We believe that it is only through strong collaborative relationships across civil society, and the public and private sectors that lasting, positive solutions to poverty and injustice can be achieved.

We believe that by investing in people and strengthening local institutions and markets, we support communities' abilities to lead their own development, increasing the impact of programs and services, and producing sustainable solutions.

The private sector is a critical, yet often overlooked, feature of inclusive local systems.

James Bond, Executive Vice President and Chief Financial Officer
Shannon Senefeld, Senior Vice President, Overseas Operations
Foreword to **Private Sector Engagement Playbook**.



In its Vision 2030, Catholic Relief Services (CRS) recognizes the importance of working with private sector enterprises, among other local institutions, to contribute to transformational change that enables people to flourish. As Pope Francis has often reminded the global community, 'a vibrant economy can and must put an end to poverty.'¹ This document outlines a theory of change, key metrics and a learning agenda for private sector engagement (PSE) across CRS.

The document draws from existing PSE work across CRS as well as from PSE work around the world. It not only illustrates what CRS is already achieving through PSE but hypothesizes what more can be achieved through further integrating PSE in CRS programs. This document complements operational guidance for agency and partner staff in the **Private Sector Engagement Playbook** on how to effectively engage with private sector enterprises as part of CRS programs. It is part of an agency-wide effort that contributes to improving CRS programming by integrating work with the private sector in line with the Vision 2030 strategy.

The purpose of this document is to:



Guide the collection of evidence to assess the progress of PSE across CRS programming.



Articulate how PSE can contribute to CRS programming in the **CRS Vision 2030 Strategy** Goal Areas.



Guide learning to improve the effectiveness of PSE across CRS programming.

¹ Taken from remarks by Pope Francis at a conference with global leaders and economists from the International Monetary Fund, World Bank and governments, February 2020. Quoted in O'Connell G. **Pope Francis: A vibrant economy must put an end to poverty**. America The Jesuit Review, March 2, 2020 Issue.

2

Private Sector Engagement in CRS Programming

This section draws on and summarizes information from the Private Sector Engagement Playbook. Please see this publication for a comprehensive explanation of PSE in CRS programming.

CRS defines PSE as the diverse and robust set of relationships with for-profit enterprises of all sizes – from informal microenterprises to multinational corporations – that are rooted in shared value and driven by the humanitarian and development challenges CRS seeks to address in its Vision 2030. Working with the private sector can help CRS and its civil society partners catalyze sustainable solutions, reach people at scale, promote local leadership and increase program effectiveness. PSE is relevant across all CRS Goal Areas. PSE is not new to CRS; it has been a critical part of programming across sectors and around the world. Recognizing that private sector enterprises are already a key part of the communities and societies in which CRS works, Vision 2030 renews the commitment of CRS to engaging with the private sector, alongside other local institutions. (See **Section 3** for more explanation of the rationale for PSE.)



Who is the Private Sector?

The private sector represents a vast and diverse set of entities including:

- ◆ Informal and formal microenterprises.
- ◆ Small and medium-sized businesses.
- ◆ Cooperatives and other member-owned or worker-owned businesses.
- ◆ Financial service providers.
- ◆ Large companies and corporations.
- ◆ Business associations from formal chambers of commerce to informal business groups.

These private sector enterprises may operate in one community, a particular area of a country, across a whole country, across a region of the world or more globally. Ownership varies just as much, from a single owner/operator to a multinational corporation with shareholders around the world. All different types of private sector enterprises may have shared values with CRS and be relevant to CRS programming at different times and in different roles. CRS applies a careful process to determine which private sector enterprises to engage with to achieve different outcomes at different levels, but all with the overarching aim of addressing the goals outlined in CRS Vision 2030.

*This document uses the term **private sector enterprise** to cover all the different types of organizations in the private sector that CRS might collaborate with.*



Photo by Megan Gilbert for CRS

People participate in, and engage with, the private sector as customers, suppliers, employees, entrepreneurs and business owners. Importantly, markets, of which private sector enterprises are a key part, provide food, products and services that people, households, and communities need to survive and thrive, as well as the income opportunities needed to achieve dignified and resilient livelihoods. However, private sector enterprises do not always contribute to more just and peaceful societies. As with other institutions, some private sector enterprises contribute to injustice, conflict or the concentration of resources in the hands of a few. At the same time, there are a myriad of examples of private sector enterprises contributing to communities and societies as part of their commercial activities such as:



Businesses that widely sell inexpensive, insecticide-treated bed nets to prevent malaria.



Chambers of commerce that work with government and civil society to expand trading relationships across regions historically in conflict.



Building companies who work with government agencies to supply disaster-affected households with needed building materials.



Local, informal entrepreneurs that link small farmers to markets, providing them with fair prices and information on consumer preferences.



Private sector enterprises that train and employ young adults.

Private sector enterprises have to be commercially viable or profitable to survive. However, many businesses also prioritize inclusive social impact and environmental sustainability. In addition to earning profits, many businesses aim to benefit their customers, employees, subcontractors and suppliers, as well as contribute to communities and societies more broadly.

CRS seeks out private sector enterprises with shared values through a careful review process.² CRS then crafts agreements with private sector enterprises to achieve win/win outcomes that contribute to humanitarian and development outcomes as well as enterprises' commercial sustainability. In this collaboration, both CRS and the private sector enterprises have something to offer. See **Table 1** for examples. The aim is that, once the collaboration is completed, the private sector enterprises can carry on in a way that is more inclusive, more commercially and environmentally sustainable, and more impactful than before.

² For more information, see these [IDEA Guidance documents](#).

Table 1 Examples of what CRS and private sector enterprises can contribute to collaborations.



Private Sector Enterprises can...

-  Provide information on the needs and demands of people and households in communities where CRS and its partners work.
-  Share effective methodologies that can help private sector enterprises serve or work with communities or populations that are marginalized or vulnerable.
-  Help develop 'last mile' distribution systems that expand private sector enterprises' markets.
-  Facilitate relationships with community leaders and groups.
-  Link private sector enterprises with other organizations in the private sector, public sector and civil society.
-  Provide examples of inclusive business models and practical approaches to ensuring environmental sustainability.
-  Strengthen technical or managerial capacity where needed.
-  Contribute resources to share the risks of private sector enterprises piloting innovations and learning to work in new ways, in new markets and with different populations.

-  Utilize and share technical expertise related to particular products and services.
-  Offer managerial expertise in sustainably sourcing, creating and delivering products and services.
-  Operate commercially viable business models that can sustain without public funding.
-  Contribute innovative ideas.
-  Mobilize networks, including other private sector enterprises, public agencies and civil society.
-  Provide or deploy technology that helps, for example, interaction with customers and suppliers across a value chain, or the making and delivery of particular products and services.
-  Utilize understanding of particular consumer segments and how to serve them effectively.
-  Utilize their own resources for shared goals, potentially including both investment and working capital

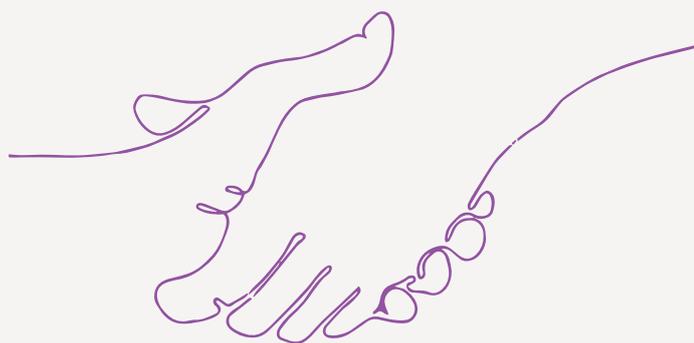
CRS engages with private sector enterprises in a variety of ways depending on an enterprise's constraints, the shared outcomes they are pursuing and how the collaboration can contribute to transformational change in market systems and societies. Ways to engage include, but are not limited to:

- Facilitating linkages among private sector enterprises, public agencies, civil society organizations, research institutes and communities.
- Influencing and/or assisting private sector enterprises to improve products, services, opportunities and practices to better serve and work with populations who are marginalized or vulnerable.
- Drawing on private sector enterprises' expertise and networks to achieve particular humanitarian or development outcomes.
- Sharing risks with private sector enterprises to encourage innovation in products, services, business relationships and delivery models that address humanitarian and development challenges.
- Helping individuals, groups or civil society organizations to start private sector enterprises.
- Strengthening capacity of private sector enterprises.
- Generating demand and improving purchasing power among families and communities who are marginalized or vulnerable, particularly for life-improving products and services.



How does PSE relate to Partnership and Capacity Strengthening?

Partnership is at the heart of the CRS approach. Collaborative relationships with private sector enterprises are one type of partnership, and these relationships can take many forms. In addition to engaging the private sector directly, CRS can strengthen the ability of our local civil society partners to more effectively engage with the private sector and contribute to changing specific market systems so that they better involve and serve people, particularly those who are marginalized or vulnerable.



CRS does not engage with the private sector in isolation. Communities, societies and even markets include diverse organizations across the public sector, private sector and civil society. Integrating PSE into CRS programming means considering how private sector enterprises can better interact with other local institutions and people to uplift communities and society. PSE, as practiced in CRS, aims to make private sector enterprises, markets, communities and societies more inclusive and more supportive of more people. In short, CRS considers PSE an important part of fostering transformational change at scale.

3

The Rationale for Private Sector Engagement



Private sector enterprises are already an important part of the communities and societies where CRS works. Collaborating with private sector enterprises, alongside other local institutions, offers the potential to contribute more effectively to lasting, positive solutions to poverty and injustice. For example, CRS can work alongside private sector enterprises to develop new ways to sustainably provide products and services to poor and vulnerable populations that improve their well-being and resilience. CRS can encourage linkages among government agencies, civil society organizations and private sector associations to support peacebuilding and social cohesion by fostering common interests among diverse people. CRS can work with businesses to expand access to markets, develop skills and increase job opportunities for people who are marginalized. Engagement with the private sector alongside other institutions can promote the common good and contribute to putting 'the economy at the service of the people.'³

Photo by Sam Phelps for CRS

³ Pope Francis as quoted by Kristalina Georgieva, IMF Managing Director, at the Workshop on *New Forms of Solidarity*, Vatican City, February 2020 in *New Priorities for the Global Economy* on the IMF website.

Figure 1 The logic for engaging with the private sector.

People realize their potential in thriving families, resilient communities and flourishing landscapes

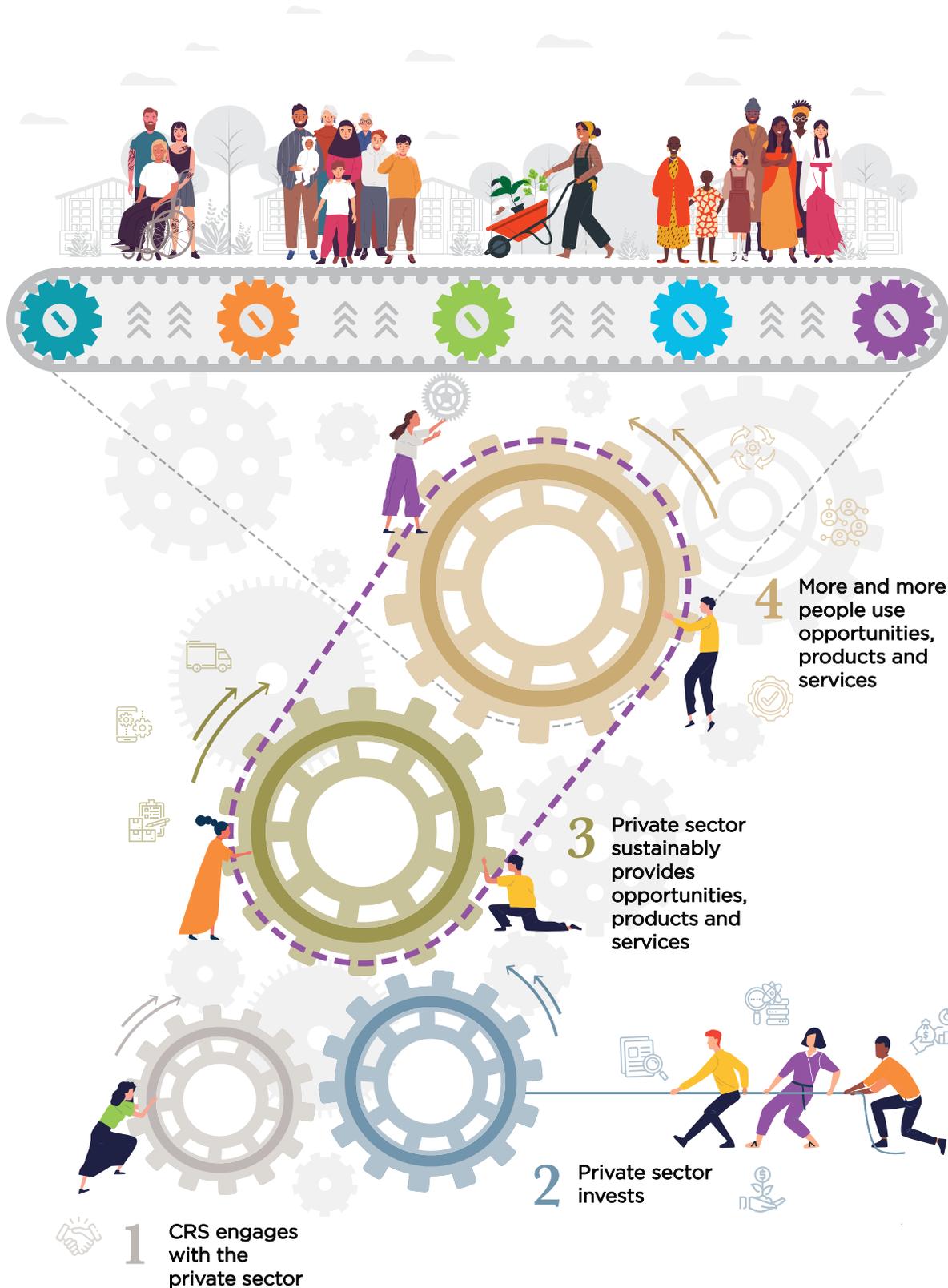


Figure 1 illustrates the following logic for engaging with the private sector:

- 1** CRS engages with private sector enterprises, developing collaborative relationships based on shared values and win/win outcomes.

- 2** In cooperation with CRS, private sector enterprises use their expertise and innovative ideas to develop new ways to provide opportunities, products and services that address humanitarian and development objectives. They invest their own human and financial resources to operationalize the new models in a commercially viable manner.

- 3** After the collaboration with CRS is completed, private sector enterprises continue the provision of opportunities, products and services, including to people who are marginalized or vulnerable, and may expand provision or inspire other private sector enterprises to copy their innovations.

- 4** Over time, more and more people utilize the opportunities, products and services, which contributes to them realizing their potential in thriving families, resilient communities and flourishing landscapes.

The diagram also illustrates that this sequence does not happen in isolation. Instead, it is part of engagement more broadly with and among local institutions and communities to contribute to more inclusive, more resilient market systems and societies.

Embedded in this logic are five key reasons for CRS to integrate PSE into its programming:

Engaging with private sector enterprises can lead to sustainable solutions.

Engaging with private sector enterprises can help to reach people at scale.

Engaging with private sector enterprises can promote local leadership.

Engaging with private sector enterprises can improve program effectiveness.

Engaging with private sector enterprises can increase award competitiveness and access to funding.

Each reason is further explained below. Importantly, none of these outcomes are assured solely by developing relationships with private sector enterprises. They rest on CRS, and its partners, intentionally and effectively working with appropriate private sector enterprises to achieve them.



3.1

Engaging with Private Sector Enterprises can lead to Sustainable Solutions

We believe that by investing in people and strengthening local institutions, we support their ability to lead their own development, increasing the impact of programs and services and producing sustainable solutions.

CRS Vision 2030

A critical question for all project teams is, ‘What happens after project funding ends?’ CRS strives to contribute to sustainable solutions addressing individual, household and community challenges. The private sector works within market systems to sustainably provide opportunities, products and services to people. CRS can collaborate with private sector enterprises to make sustainable provision of opportunities, products and services more inclusive and more beneficial for people. Private sector enterprises are often interested in dialogue with other local institutions as it allows them to build connections, strengthen their understanding of a market or community and identify areas where they can contribute. CRS can facilitate dialogue among the private sector, public sector and civil society to build common interests, promote peace and leverage synergies to address common challenges.

When CRS enables private sector enterprises to improve how they serve people and work with communities in mutually beneficial relationships, market systems will continue to benefit people and communities over the long term, well after project funding ends. Private sector enterprises play a critical role in local and national economies. Nine out of ten jobs in developing countries are found in the private sector.⁴ Businesses provide critical products and services to households, communities, other businesses and government.⁵ CRS can work with private sector enterprises to create sustainable incomes and jobs, including for people who are marginalized or vulnerable, and to improve the delivery of vital products and services to households and communities. This engagement with the private sector will promote inclusive growth and contribute to the transformation of systems so that they better serve people over the long-term.



The LASER PULSE Enduring Results Study 3.0 found that, out of 29 sample partnerships between USAID and the private sector that were studied two years after formal funding ended, 28 were found to sustain/ endure, and 18 were found to scale beyond the partnership period (once USAID funding ended).⁶

⁴ USAID (n.d.) *Private Sector Engagement Policy*. United States Agency for International Development.

⁵ Ibid.

⁶ Accenture Development Partnerships (2020) *Enduring Results Study 3.0 Summary Report*. USAID, Purdue University, Catholic Relief Services.

3.2

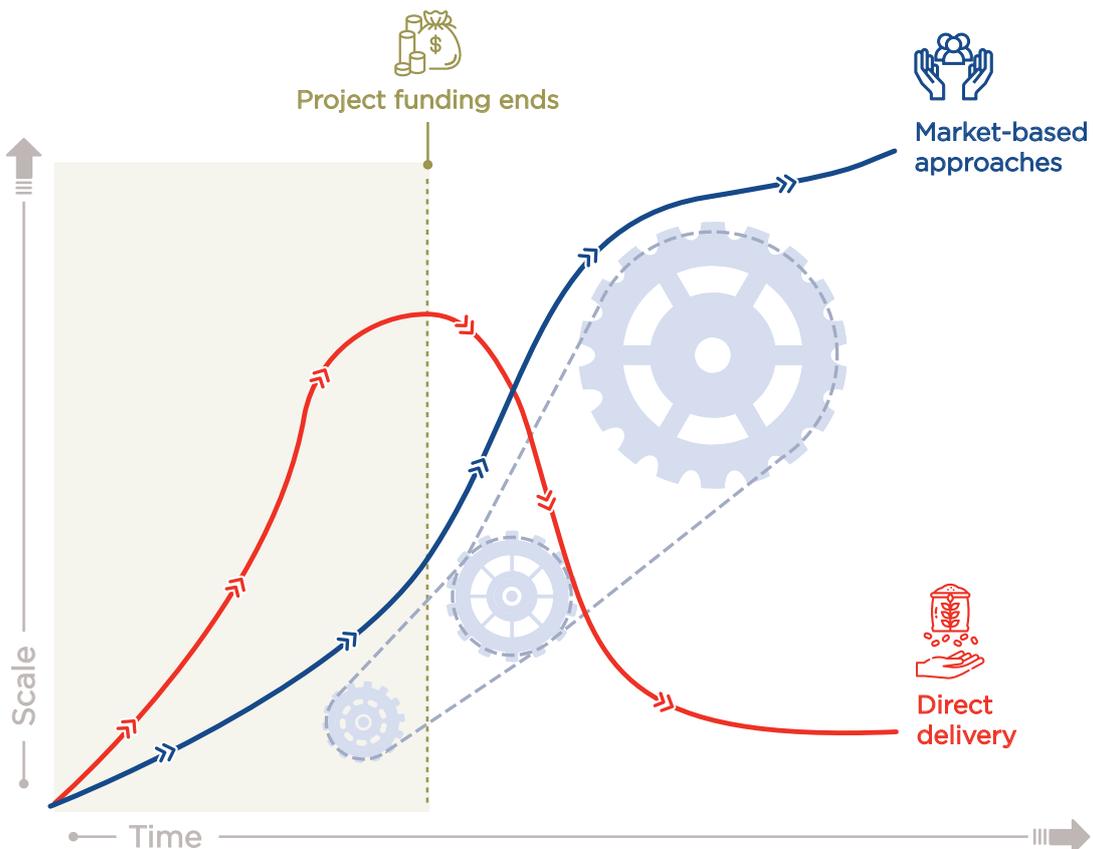
Engaging with Private Sector Enterprises can help to Reach People at Scale

An overarching theme of our new agency strategy is our desire to be bolder and more ambitious in our efforts to catalyze transformational change at scale.

CRS Vision 2030

The CRS Vision 2030 has strengthened the agency’s ambition to catalyze transformational change that includes and benefits people at scale. Working with the private sector can enable CRS programs to reach many people with limited funds. When CRS collaborates with private sector enterprises, they also invest resources and utilize their own expertise and networks to reach people, magnifying the impact of donor funds. As successful private sector enterprises continue to operate, they are able to reach more and more people once project funding ends (See Figure 2). In addition, enabling private sector enterprises to change their business models to involve and serve people who are marginalized or vulnerable in sustainable ways, can influence other private sector enterprises to follow suit. More private sector enterprises inclusively serving and working with people who are marginalized or vulnerable contributes to transformational change at scale.

Figure 2 Stylized comparison of the outreach of direct delivery and market-based approaches.





In Ethiopia, a Farmer to Farmer volunteer worked with local farmers to introduce a simple and low-cost innovation: adding critical bacteria to the inoculation process of crops. By using this innovation alongside several other good agricultural practices, the farmers increased crop yields by an average of 20%. CRS then worked with a local company to culture the bacteria and sell it to farmers at a cost of about \$6 per hectare. The company expanded sales of the product to another district without CRS assistance. The Ethiopian Government's Office of Agriculture and Animal Science recognized the innovation and started promoting it to farmers in more districts. **As a result of this market-based work, more than 100,000 farmers have increased their yields, and more and more farmers in other districts are adopting the practice.**



Photo by Ric Francis for CRS

3.3

Engaging with Private Sector Enterprises can Promote Local Leadership

CRS places particular emphasis on accompanying local institutions in achieving their ambitions to be effective, dynamic and sustainable catalysts for change for the people and communities they serve.

CRS Vision 2030

Local private sector enterprises are an important part of the fabric of communities and societies. CRS can strengthen local leadership by engaging with and building the capacity of local private sector enterprises. This engagement can include helping community members start new private sector enterprises or strengthen existing ones, helping existing private sector enterprises in communities form associations or helping national private sector enterprises to better connect and work with communities. The engagement of CRS with the private sector can strengthen local businesses' motivation and abilities to become more inclusive and increase their contribution to local economies and communities. CRS can help local private sector enterprises find ways to provide more opportunities to local residents including women and young adults, better support social cohesion and provide products and services that more effectively increase local people's well-being. A key component of strong local leadership is effective collaboration among the private sector, public sector and civil society. CRS can bring together diverse leaders from these different sectors, helping them to form sustainable partnerships that serve and benefit local communities. CRS can also build local leadership by strengthening the capacity of its civil society partners to engage effectively with private sector enterprises.



The Borderlands project in Ecuador aimed to increase family incomes, reduce poverty and improve the quality of life for indigenous women and Colombian refugees in Ecuador's Amazon region through the development of inclusive coffee value chains. CRS partnered with the local Indigenous Women's Association in the area to develop coffee production within diversified and environmentally sustainable farming. CRS collaborated with this Association, local traders, local government, Ecuadorian and international coffee companies and the National Coffee Exporters Association to improve production and processing of the coffee, gain recognition for the local coffee variety and build sales to national and international markets. Throughout the project, CRS was careful to ensure that local people and institutions led the design and implementation of activities and that the value chains developed equitably. At first, the president of the Indigenous Women's Association was quiet and focused her efforts on learning. Over time, she gained experience and confidence by participating in local and international meetings related to coffee. By the end of the project, she confidently stood up in high level meetings to explain the project herself. She went on to run for local office and, to this day, the Indigenous Women's Association is an important organization in the Amazon region.

3.4

Engaging with Private Sector Enterprises can Improve Program Effectiveness

Effective PSE leverages the comparative advantages of USAID and the private sector to deliver more effective and sustainable outcomes.

USAID Private Sector Engagement Policy

As described in **Section 2**, private sector enterprises can bring unique expertise, networks and ideas that complement those of CRS to address humanitarian and development challenges. Combining the strengths of CRS and the private sector can improve the effectiveness of programs. For example, CRS can work with specialist agribusinesses to adapt farming inputs and techniques to help smallholder farmers successfully adjust to climate change. CRS can leverage specialist private sector capabilities and networks in logistics to reach crisis-affected households with needed products faster than might be possible otherwise. When CRS and private sector enterprises work together, using both their capabilities and networks, they can increase their effectiveness in achieving shared goals.



The Kakawo Bay Bourad pou Opotinite ak Siksè (KABOS) project was originally designed to help improve smallholder cacao production in Haiti but, following the effects of Hurricane Matthew, the project was forced to make adjustments. KABOS then partnered with multiple Haitian chocolate enterprises to create win-win arrangements for farmers. Including off takers as partners in the project created strong market connections for farmers, but private sector partners also contributed infrastructure for cacao fermentation, dissemination of price information, and support in the certification process. Together, private sector partners and CRS were able to improve program effectiveness and contribute to increased incomes for smallholder farmers.



3.5

Engaging with Private Sector Enterprises can Increase Award Competitiveness and Access to Funding.

Donors and multilateral agencies are increasingly placing Private Sector Development at the heart of their work.’

Introduction to the Donor Committee for Enterprise Development

More and more donors are recognizing the critical roles that the private sector can play in achieving the Sustainable Development Goals. Building the capacity of CRS and its civil society partners to engage with, strengthen and leverage the competencies of private sector enterprises will increase the ability of CRS and its partners to compete for funds from traditional donor sources. In addition, the private sector is playing a key role in changing the nature of philanthropy and innovating new models for charitable giving. The ability of CRS to effectively partner with private sector enterprises, both local and international, can potentially unlock additional funding from non-traditional donors as well. Competence in PSE will increase the access of CRS and its civil society partners to funds for their work.

USAID has ‘committed to a major cultural and operational transformation in the way development programs are conceived, designed and delivered – emphasizing collaboration, co-designing, and co-financing with the private sector.’

USAID, Purdue University, CRS Enduring Results Study 3.0 Summary Report



In Uganda, CRS collaborated with two vanilla private sector industry associations to influence regulatory priorities and advocate for new legal frameworks. Private sector enterprises approached CRS as they were familiar with the agency’s work and specifically requested to be included as active partners in the proposal design process. CRS and private sector enterprises co-created solutions that responded to market conditions and were successful in protecting smallholder farmers, increasing vanilla production and stimulating international trade. The strong relationships with private sector enterprises allowed CRS to pre-position for funding that eventually became the \$12 million VINES project. It also established the reputation of CRS as a leader in working with local institutions to develop the vanilla value chain effectively and equitably.



4

Private Sector
Engagement
Theory of Change

Engaging with the private sector can contribute to each of the five Goal Areas in the CRS Vision 2030. **Figure 3** outlines a theory of change that describes how CRS envisions this contribution occurring.

The theory of change is organized as follows:



Goals show how the CRS Vision 2030 Goals align with the impacts described.



Impacts describe how communities, families, and people, including young adults and people who are marginalized or vulnerable, can benefit from interaction with private sector enterprises who have improved how they work.



Outcomes describe ways that private sector enterprises can become more inclusive and better serve and work with communities, families and people, including young adults and those who are marginalized or vulnerable, as a result of collaborating with CRS.



Outputs summarize the results of CRS' activities with the private sector.



The theory of change is delineated by Goal Area. However, in practice there is considerable overlap among the areas. Each outcome in the theory of change actually contributes to multiple impacts and each impact contributes to multiple goals. In addition, the engagement of CRS with a particular private sector enterprise is likely to cut across more than one Goal Area. For example, working with a business on an innovation to provide better sanitation services to communities could also provide opportunities for young adults as local sales agents and technicians for the business. Working with food processors to improve their relationships with smallholder farmers as suppliers could also increase opportunities for trade across regions in ways that build trust and promote peace. It is these types of opportunities that CRS can cultivate in order to ensure that engaging with the private sector contributes to CRS Goals.

More explanation on how PSE can contribute to each of the Goal Areas is provided below. **Annex A** provides more detailed examples of how PSE can be integrated into programs to contribute to each of the Goals Areas individually as well as several at once. The PSE Playbook summarizes 33 examples of CRS engaging with the private sector within a program, categorized by Goal Area with links to additional information. It also provides four detailed profiles of PSE in CRS programming.

Figure 3 Private sector engagement theory of change.



4.1



GOAL AREA
**Justice
& Peace**

All People Live in Just and Peaceful Societies

Together with civil society, the public sector and communities, the private sector can play a positive role in peacebuilding, strengthening just relationships and promoting social cohesion. For example, CRS can create linkages between community leaders and private media outlets to advocate for government practices that provide fair and equitable access to resources. Trade can play a key role in creating common interests and building trust across diverse communities. CRS can facilitate private sector enterprises from different communities where distrust exists to develop mutually beneficial trading relationships. New business opportunities can bring people together. CRS can link community groups to private sector enterprises to develop new business ventures. Some private sector enterprises exploit people, drive conflict or fail to adequately consider their positive and negative social and environmental impacts. CRS can work with responsible private sector enterprises to demonstrate how sustained commercial success goes hand-in-hand with positive social impacts and careful environmental stewardship. Publicizing these examples can influence others to adopt better practices and build momentum for transformational change that leads to more equitable and inclusive economies and societies.

CRS Example



Commerçantes Solidaires pour la Paix /
Region des Grands Lacs

CRS united women across borders from conflicting communities in Burundi, Democratic Republic of the Congo and Rwanda to build trust, develop business relationships, and learn from one another to strengthen commercial activities and serve as conduits of peace. The women developed strategies to advocate to border officials for more transparent and fairer taxation.

4.2



GOAL AREA
**Humanitarian
Response**

All People Survive
and Thrive in the
Face of Disasters

A resilient private sector can make critical contributions to recovery from crisis. People affected by crisis most often rely on local markets to access products and services and generate income. CRS can work with private sector vendors who can reach remote communities quickly with needed products and services after disasters, or to supply conflict-affected populations with appropriate products and services to help them recover and rebuild their lives. CRS can link government and civil society to businesses that can provide critical logistical or other support during the recovery from a crisis. Working with local businesses in short and long-term crisis response also injects cash into local economies, supporting faster recovery. CRS can also help local businesses to recover quickly after disasters or adapt to long-term crises by, for example, providing them with grants, linking them to services, including sources of finance. When businesses recover, they can serve affected people and support local livelihoods. Importantly, CRS can engage private sector enterprises in preparing for disasters so that they can move quickly to support people should a disaster occur. A stronger, more capable private sector can contribute to enabling people to recover from crises and build their longer-term resilience.

CRS Example



**Typhoon Haiyan Emergency Response
Program, Philippines**

CRS provided cash grants to existing blacksmiths, as market intermediaries, to help restart the local production and sale of farming tools and to indirectly support improved agricultural production. Program participants were also provided with vouchers to buy agricultural inputs, including seeds and tools.

4.3



GOAL AREA
**Livelihoods
& Landscapes**

All People
Achieve Dignified
and Resilient
Livelihoods
in Flourishing
Landscapes

The private sector is essential to people’s livelihoods, including in agriculture. Agribusinesses often rely on smallholder farmers as customers or suppliers in value chains. They therefore have an incentive to provide smallholder farmers with inputs, information and advice to improve their cultivation sustainably, respond to climatic stresses or to link smallholder farmers to growing markets. CRS can work with private sector enterprises to innovate in the provision of more appropriate and more accessible products, services and linkages that enable smallholder farmers to increase their incomes. CRS can also influence private sector enterprises to invest in business models that effectively involve women and provide incentives and support to smallholder farmers to manage natural resources sustainably. Private financial service providers can offer smallholder farmers and other people appropriate loans, savings and insurance products and services so that they can invest in upgrading, smooth consumption and improve their resilience. CRS can work with financial service providers to develop better products and to make those more accessible, particularly to females and young adults, so that they increase and deepen their outreach.

CRS Example



Savings for Agriculture, Senegal

CRS partnered with myAgro, a private sector enterprise that offers a mobile financial product that helps farmers save little by little to purchase seeds and fertilizer from private input suppliers and receive adapted extension support. CRS worked with myAgro to adapt its business model and leverage private service providers to connect with female clients.

4.4



GOAL AREA **Health & Development**

All Children Reach their Full Health and Development Potential in Safe and Nurturing Families

The private sector is a key provider of products and services related to health, sanitation, nutrition and education. In countries around the world, businesses sustainably sell critical products and services such as:

- Medicines and vaccines.
- Water-related infrastructure, such as pumps, and services, such as drilling wells.
- Latrines and related sanitation services.
- Fortified and nutritious food for consumers and public sector nutrition programs.
- Educational materials and technology.

Over the last two decades there has been impressive progress in businesses and public private partnerships sustainably reaching families who are marginalized or vulnerable with these types of products and services. The private sector is innovating new products and services that improve health, sanitation, nutrition or education, such as hard floor surfaces that provide an easier to clean environment and digital payment platforms to facilitate paying school fees. CRS can enable private sector enterprises to develop inclusive business models that reach more families and all the individuals in those families. CRS can share risks with private sector enterprises to develop innovations. CRS can broker partnerships between businesses and public agencies for the provision of health, sanitation, nutrition and education products and services. Using these products and services helps families to improve the well-being of children so that they can reach their full health and development potential.

CRS Example



Azure – Mobilizing Capital for Water Service Resilience, El Salvador

Azure improves the capacity of small, private rural and peri-urban water service providers to sustainably operate their systems by strengthening their technical and managerial capacities. It also facilitates water services providers' access to finance for system improvements through local financial service providers.

4.5



GOAL AREA
**Youth Jobs
& Leadership**

All Youth Are
Empowered to
Thrive

The private sector can play a strong role in empowering young women and men to thrive. Businesses can offer internships and employment opportunities to young adults and build their skills. CRS can enable businesses to reach out to young adults who are marginalized or vulnerable with job opportunities that will benefit both the young adults and the businesses themselves. CRS can also influence businesses to engage with young people equitably and to put in place policies and practices that protect them, particularly young women. Private sector enterprises have an incentive to ensure that young people gain the skills that their businesses and industries need. CRS can facilitate collaboration among business associations and public and private skills training institutes to offer skills training relevant to businesses' needs. Private sector enterprises can increase the capacity of young adults to become self-employed by building their skills through internships or by sharing expertise with training institutes that helps them offer more effective training. Private sector enterprises can also offer opportunities to young entrepreneurs to strengthen and grow their businesses by becoming customers or suppliers. CRS can advocate for private and public training institutes to offer entrepreneurial training for young people. CRS can introduce young entrepreneurs to businesses and help them develop commercial relationships with each other. When young women and men have positive interactions with private sector enterprises, they can improve their capacity and motivation to participate in decision-making related to their own lives, businesses they are involved with, their communities and society.

CRS Example



**Enhancing IT Vocational Training and
Employment Opportunities for Young
Vietnamese with Disabilities, Vietnam**

CRS coordinated with the business community and three local colleges to ensure advanced IT training content and job placement opportunities were properly adapted for young adults living with disabilities.

5

Key Metrics to Assess the Performance of CRS' Work in Private Sector Engagement

To assess performance and test the assumptions underpinning the PSE theory of change, CRS will gather information on key quantitative metrics. The metrics relate to the output, outcome and impact levels of the theory of change so that CRS can gain information on progress at each of these levels. Only seven metrics have been chosen to apply globally in order to keep information gathering, analysis and synthesis manageable. It is not expected that every project that incorporates PSE will be able to gather information related to all seven key metrics, but rather each project will measure and report on those metrics that are most relevant to their work.

The chosen metrics are quantitative to facilitate aggregation at the agency level. This will allow the PSE team to track, add up and report on the overall impact of CRS' PSE work. It is acknowledged that gathering relevant qualitative information will also help investigate the evidence for PSE, boost internal learning and feed into the learning agenda for the agency.



The qualitative information useful to understanding progress includes:



Types of innovations, good practices and collaborations adopted by private sector enterprises.



Characteristics of sustainable business models that benefit different groups of people and targeted communities.



Private sector enterprises' satisfaction and opinions on innovations, good practices, collaborations and new business models and why they do or do not want to continue or further develop them.



How different groups of people benefit from private sector innovations, good practices and collaborations.

It is expected that projects will gather more quantitative and qualitative information on specific PSE initiatives to meet project-specific needs for monitoring, evaluation, accountability and learning (MEAL) and to inform adaptations in strategy and implementation.

Table 2 outlines each of the key metrics, which level of the theory of change it assesses and the rationale or justification for the metric. **Annex B** contains more information on the definitions of the metrics, how the metrics will be disaggregated, examples and how the metrics align with other CRS or US Government metrics.



Photo by Lauren Carroll for CRS

Table 2 PSE key metrics.

Item	Detail
Indicator 1: Number of people who benefited from private sector action facilitated by CRS	
Level in theory of change	Impact
Rationale or justification for indicator	CRS' work in all Goal Areas as outlined in Vision 2030 seeks to increase impact and influence all people – with a preferential option for the poor, vulnerable and marginalized. ⁷ Aligned with this ambition, CRS' PSE strategy also aims to work with and through the private sector to maximize reach and impact. ⁸ Thus measuring this indicator will allow CRS to track how many people have benefited as a result of projects working with the private sector.
Indicator 2: Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS	
Level in theory of change	Outcome
Rationale or justification for indicator	CRS engages with the private sector to enable its contribution to humanitarian and development outcomes through adopting new ways of working – innovations, good practices or collaborations. Measuring this indicator will allow CRS to track private sector adoption of these new ways of working and thus the extent to which the private sector is operating in a way that contributes to CRS' humanitarian and development aims.
Indicator 3: Proportion of \$ value of innovations, good practices and collaborations financed by the private sector relative to CRS funds	
Level in theory of change	Outcome
Rationale or justification for indicator	CRS collaborates with the private sector to leverage private sector capital, expertise, innovation and networks to reach humanitarian and development outcomes. Measuring the \$ value of this investment against the \$ value of CRS funds spent towards the same innovations, good practices and collaborations will allow CRS to assess how many additional resources are mobilized by working with the private sector to realize sustainable business models that are aligned with CRS' goal areas.

⁷ Catholic Relief Services (2019) *CRS Vision 2030*.

⁸ Benson (2020) *Private Sector Engagement Playbook*, Catholic Relief Services.

Indicator 4: Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS

Level in theory of change	Outcome
Rationale or justification for indicator	CRS engages with the private sector because private sector enterprises can be expected to continue operating even when a CRS project ends. This means that the program participants can continue to benefit from products, services and opportunities as they will continue to be provided by the private sector. Measuring this indicator will allow CRS to assess the extent to which this hypothesis holds true.

Indicator 5: Number of CRS private sector partnerships

Level in theory of change	Output
Rationale or justification for indicator	This indicator will allow CRS to track the volume of work in PSE.

Indicator 6: Number of documented examples where local private sector enterprise partner capacity was strengthened as a result of significant contributions by CRS

This indicator will capture a sub-set of examples (related to private sector enterprise partners) from the existing OverOps Global Cross-Cutting Key Performance Indicator #1. All information on this indicator is copied from the [Performance Indicator Reference Sheet](#). For more information on this specific indicator, refer to [Resources for Cross-Cutting Indicators](#).

Level in theory of change	Output
Rationale or justification for indicator	<p>CRS' partnership and capacity strengthening theory of change is based on strong partnership relations and states that if internal organizational systems, policies, structures and staff knowledge, skills and attitudes (i.e., management capacity) are strengthened and internal technical/sectoral methodologies, tools, processes and staff knowledge, skills and attitudes (i.e., program capacity) are strengthened, then performance of organizations is improved, because performance of organizations is improved through holistic (both management and programmatic) systems-driven and asset-based capacity strengthening. Assessing performance of organizations assists CRS and partner organizations to understand the extent to which the outputs of both management and program capacity strengthening support positive changes in the way organizations design projects, deliver services, relate to their stakeholders and adapt to changes in the external environment.</p> <p>Including this indicator ensures that all private sector partners whose capacity was strengthened by CRS are included in this agency indicator. It also allows CRS to assess the extent to which its work with private sector partners improves their capacity.</p>

Indicator 7: \$ value of donations (cash or in-kind) from private sector through philanthropy or corporate social responsibility for CRS supported projects

Level in theory of change

Output

Rationale or justification for indicator

CRS aims to engage with private sector businesses to influence them to provide grants or in-kind donations through philanthropy or corporate social responsibility. This indicator will allow CRS to track the value of contributions made.

6

Private Sector Engagement Learning Agenda



The PSE learning agenda will guide CRS in investigating:

Why PSE is essential to achieving the CRS Vision 2030 goals.

How PSE can be actualized to best contribute to the CRS Vision 2030.

The learning questions investigate key assumptions underpinning the theory of change. Until 2030, CRS will gather and analyze information on the learning questions based on information from the country programs and relevant projects. The country programs and projects will gather information on the specific learning questions that are most relevant for them instead of trying to address them all. CRS will conduct learning events and synthesize findings into appropriate learning products. These learning events and products will inform CRS and other stakeholders as to why and how PSE should be integrated into projects, and into which types of projects and programming areas. Specifically, they will inform project design and strategy. They will also provide guidance to projects on how to engage most effectively with the private sector, including the choice of private sector partners, configuration of partnerships and how to work with private sector partners to maximize the contribution of PSE to humanitarian and development outcomes.

The learning questions have been chosen based on the following criteria:



Overall, the learning agenda addresses both why PSE is important and how to implement PSE effectively.



Questions address issues that are important to CRS and, particularly, its Vision 2030.



Questions are relevant to the wider humanitarian and development fields beyond CRS and will contribute to the evidence base on PSE.



Questions are specific enough to be addressed with information gathered from CRS projects within the available timeframe.



6.1

Learning Questions

Table 3 PSE learning agenda questions.

Question 1 Do private sector enterprises continue to serve target populations after project funding has ended? Why or why not?

Rationale

A key reason to engage with the private sector is the potential for the provision of products, services and opportunities from businesses to continue without external support, and thus benefit target populations long after project funding ends. This is also a key outcome important to the wider humanitarian and development fields. It is therefore important for CRS to investigate the extent to which this holds true and in what circumstances. Learning from this question will add to the evidence base on PSE. It will also inform CRS as to which programming areas and contexts to focus the integration of PSE in projects, how to design projects and strategies that encourage sustainability, and how to configure partnerships with businesses to maximize the likelihood that those businesses will continue serving target populations over the long term.

Explanation

CRS' work with the private sector aims to ensure that, by the end of a project, private sector enterprises have the incentive and capacity to continue serving target populations without project funding. This learning question will not only investigate what happens after project funding ends, but also gather evidence during projects on the likelihood that business activities will endure. Some of the aspects that CRS will examine include:

- Under what circumstances do private sector enterprises that CRS works with continue to provide products, services and/or opportunities to target populations after project funding has ended?
- What are the reasons why private sector enterprises do or do not continue serving target populations after funding has ended?
- What evidence is there during projects that private sector enterprises will continue serving target populations beyond project support? How does that vary by programming area?
- How do private sector enterprises modify the products, services and opportunities they provide to target populations over time without project support? How does that affect the quality and accessibility of products, services, opportunities and linkages for target populations?

Question 2 To what extent and how does working with the private sector enable projects to reach people at significant scale?

Rationale Reaching target populations at scale is a key aim of the CRS Vision 2030 and is an important outcome for the humanitarian and development fields. Therefore, understanding to what extent and how engaging with the private sector enables projects to reach people at significant scale is critical for CRS. Learning from this question will help CRS design projects to reach greater scale. It will also help project teams choose private sector enterprise partners and design collaborative relationships that are more likely to reach people at scale.

Explanation Given that funding is limited, this learning question will investigate the scale achieved through PSE related to the funds used. It will also investigate the factors that lead collaboration with the private sector to reach people at significant scale with appropriate products, services and opportunities. Some of the aspects that CRS will examine include:

- How many people are reached through collaborating with different types of businesses compared to the funds used, e.g. micro, small, medium and large, and formal and informal?
- How many people are reached through PSE in different programming areas related to the funds used?
- How many people are likely to be reached when private sector enterprises continue serving target populations after project funding ends?
- How many people are reached when other businesses adopt and/or replicate the businesses directly impacted by CRS work?
- What are the factors that influence the number of people the private sector reaches with products, services or opportunities?

Question 3 Does collaborating with local businesses foster local leadership, inclusive growth and empowered communities? Why or why not?

Rationale A key rationale for PSE is that it promotes local leadership. Inclusive growth, where the gains from more productive economic activities reach many people, particularly those who are poor, vulnerable, or marginalized, is a vital global development objective. Empowering communities is another key CRS objective as informed and empowered communities can also influence private sector enterprises. These three aims are related. Strong and diverse local leadership can contribute to inclusive growth and empowered communities and vice versa. It will be useful for CRS to understand the extent to which PSE contributes to these aims, and how. Learning from this question will inform when to engage with the private sector, how to choose private sector partners to foster local leadership and how to work with private sector partners to maximize inclusive growth and empowered communities.

Explanation

As the aims of local leadership, inclusive growth and empowered communities are related, this learning question will investigate the contribution of PSE to each of these aims but also to the reinforcing relationships and processes that connect these aims. Some of the aspects that CRS will examine include:

- Does collaborating with local businesses encourage local leadership in those businesses, in communities and in societies, and how?
- Do local business leaders influence inclusive growth and empower communities, and how?
- What factors influence the extent to which local businesses contribute to inclusive growth and community empowerment?

Question 4

How can CRS best reach the most vulnerable people through PSE?

Rationale

The CRS Vision 2030 prioritizes including poor, vulnerable and marginalized people. Understanding how to best serve these people, particularly the most vulnerable (such as women, female youth, people with disabilities), through PSE is essential to the CRS Vision 2030 strategy. Learning from this question will help CRS work with private sector enterprises and other stakeholders to design sustainable business models that intentionally include and serve poor, vulnerable and marginalized people. Learning will also help CRS pinpoint essential characteristics of collaborations and business models that enable them to sustainably reach poor, vulnerable and marginalized people. This understanding will contribute to efforts to scale successful models and work with private sector enterprises and other stakeholders to adapt them to different contexts.

Explanation

Too often, businesses do not reach those most in need of appropriate and affordable products, services and opportunities. Yet, there are examples around the world of businesses that are sustainably serving, involving or purchasing from poor, vulnerable and marginalized people. This question will explore how CRS can effectively work with private sector enterprises and other institutions to ensure that the poor, vulnerable and marginalized are included in business models as valued consumers, employees and/or suppliers. Some of the aspects that CRS will examine include:

- What are the characteristics of business models that reach poor, vulnerable and marginalized people in different programming areas and for different products, services or opportunities?
- When is it appropriate for CRS to broker partnerships among private sector enterprises, public sector agencies and civil society organizations to reach poor, vulnerable and marginalized people, particularly the most vulnerable? How can sustainable partnerships among these organizations be configured?
- How can CRS most effectively influence and enable businesses to operate inclusively, involving and serving a diversity of people including those who are poor, vulnerable or marginalized?

Question 5 Which PSE approaches are most effective in humanitarian responses and to encourage resilience?

Rationale The private sector is a key stakeholder in communities and economies and can play an influential role in responding to humanitarian crises and fostering resilience, alongside government, aid agencies and civil society. CRS has a long history and expertise in humanitarian response. It will be useful for CRS to continue building its understanding of the roles that the private sector can play in humanitarian response and which approaches to engaging with the private sector work best in terms of reaching scale, sustaining recovery and promoting resilience. This understanding will help CRS design responses to crises and engage the private sector to enhance recovery and improve resilience over time. It will help project teams determine which businesses to work with during a crisis, how to work with them and how to build partnerships among businesses and other institutions.

Explanation CRS engages with private sector enterprises in different ways in the recovery from crises or during protracted crises. This question will explore the various roles that businesses and other private sector enterprises do or could play in the recovery from crises and in promoting resilience so that people are less adversely affected during crisis. It will also explore different ways CRS can enable businesses and other private sector enterprises to expand and improve their contributions to recovery and resilience. Addressing this question will involve the Humanitarian Response Department team and build on the significant learning CRS has compiled in this area. Some of the aspects that CRS will examine include:

- What are the different ways in which CRS has partnered with the private sector to engage them in playing a part in humanitarian response? What has worked and what has not worked? Why?
- How can CRS involve and influence businesses to maximize their contributions to recovery from crisis and building resilience?
- How can CRS broker effective partnerships among businesses, government agencies and civil society organizations to respond to crises and build long term resilience in communities and societies?
- How can CRS enable businesses to increase their own resilience so that they are better able to serve targeted populations during and after crises?

Question 6 **How can CRS introduce PSE in a project if it was not initially a part of the project design?**

Rationale The PSE Playbook emphasizes the importance of integrating PSE into relevant strategies and the planning for project activities in different programming areas to improve their sustainability and effectiveness. However, many projects do not have PSE as an element of the project design. Some of these might, nevertheless, benefit from integrating PSE. It is useful to consider how projects can integrate PSE into their strategy and activities even if that was not planned from the outset. Learning from this question will support project teams who are interested in trialing PSE even if it was not envisioned in the project design.

Explanation There are specific considerations for project teams who aim to initiate PSE during a project's lifetime or when it is being extended, without the benefit of PSE's inclusion in the project design and original planning. This question will explore those considerations and how project teams can successfully introduce PSE into projects during the implementation phase. Some of the aspects that CRS will examine include:

- How are projects, which initially did not include PSE as part of their strategy, introducing it into their strategy and activities?
 - Based on experience, what is an appropriate sequence of steps for a team to effectively add PSE into a project's strategy and activities? What has been the role of different stakeholders (headquarters, regional management, PSE technical assistance, project team) to effectively add PSE activities into a project?
 - What implications does the introduction of PSE have for a project in terms of human resources, budget allocation, MEAL and operations?
-



Photo by Jennifer Hardy for CRS

6.2

Gathering and Analyzing Information on the Learning Questions

Addressing the learning questions will rely on a mix of approaches to gathering and analyzing both quantitative and qualitative information in CRS country programs and projects that are engaging with the private sector. The PSE team will work with and support country programs, projects and other CRS units to gather and analyze information and to synthesize learning. The learning can be used to improve projects. The PSE team will maintain a system to aggregate data for key metrics and summarize findings related to learning questions. The PSE team will also take the lead in synthesizing learning across projects on the learning questions, which will inform agency-wide learning.

The following approaches will be used to gather and analyze information in projects to explore the learning questions:

-  As many projects as possible will be encouraged to report on the PSE key metrics. This quantitative information will particularly inform the first two learning questions on sustainability and scale.

-  Integrated with broader MEAL, project teams will be supported to articulate and analyze how their work with private sector enterprises leads to intermediate changes in those and other private sector enterprises, other institutions and targeted populations to contribute to benefits for people aligned with the Goal Areas. Tracing the sequence of changes from outputs through outcomes to impacts is particularly useful to understand how changes happen. Understanding this pathway of change allows CRS to identify the best ways to catalyze changes in the private sector that will involve and uplift targeted populations over the long term.

-  Project teams will be encouraged and supported to gather qualitative information on their engagements with the private sector to inform the learning questions. Projects will be particularly encouraged to incorporate these learning questions at the onset of the project during MEAL set up, such as the SMILER workshop, so that information on the learning questions is collected in routine monitoring forms. Qualitative information will be particularly important to informing Learning Question 3 on local leadership, inclusive growth and empowered communities, as well as the last three learning questions focusing on how CRS can best actualize PSE.

-  When possible and relevant, case studies will be conducted in particular projects to investigate one or more learning questions in depth. These in-depth analyses will be critical to generating findings on the learning questions and identifying lessons.

-  When possible and relevant, project teams will be supported to test new or improved approaches to engaging with the private sector and to analyze the results. Testing new ways of working with the private sector can yield valuable lessons on how to better actualize PSE.

-  Project teams will be encouraged to integrate relevant learning questions into their learning agenda and their regular project reflections and share the lessons identified.

At the agency level, several approaches will be used to synthesize information and analysis from projects and draw out lessons learned. The following is envisioned:

- 👉 The information on the key metrics will be synthesized across projects and analyzed for lessons related to the learning questions.
- 👉 Workshops will be held to discuss particular learning questions, analyze cases and gain insights from project teams and other CRS stakeholders.
- 👉 Findings from different projects will be synthesized to draw out common lessons related to each of the learning questions.

6.3

Revisiting the Learning Agenda and Disseminating Findings

The learning agenda will be reviewed annually. This will first involve synthesizing lessons from the information and evidence gathered over the year for each learning question. It is expected that there will be more information and analysis on some learning questions than others each year. In light of the findings and input from CRS stakeholders, the PSE team will determine which questions have gathered more answers and how to disseminate findings across the agency and to external stakeholders such as donors and other development agencies. Dissemination may include learning events and written or digital products.

Considering findings, gaps in addressing the questions, new questions that have arisen during the year and input from CRS stakeholders, the PSE team will then draft adjustments to the learning agenda. This may include adding or deleting questions or sub-questions and revising methods to address questions. The PSE team will share the draft revisions to the learning agenda with other stakeholders within CRS for feedback. This will lead to a final revision as well as plans for any specific studies in the following year to address the learning agenda. Based on findings, the PSE theory of change and key metrics may also need to be adjusted.

The findings from the learning agenda will contribute to building a PSE evidence base in CRS and to enabling project teams and other CRS stakeholders to improve the effectiveness of PSE. This will build the capacity of CRS to engage with the private sector in ways that concretely contribute to the CRS Vision 2030.



7

Next Steps



Photo by Michael Stulman for CRS

This document articulates the theory of change, key metrics and learning agenda for PSE across CRS so that it can be used as a practical reference document by the PSE team, other units, country programs, projects and other stakeholders. These different CRS stakeholders can use the document to consider how their work fits in the overall PSE theory of change and inform the MEAL which, in turn, contributes to overall agency learning related to PSE. Country programs, projects and other units also need additional guidance to effectively use the PSE theory of change and report on PSE key metrics and the learning agenda in a systematic manner. The following guidance and plans will be needed to help institutionalize PSE across the agency:



Strategic guidance on the specific work across different goal areas. For example, the key constraints that can be addressed through PSE, strategic areas of work, and key private sector partners.



Technical guidance on how to actualize PSE. For example, how to negotiate deals with private sector enterprises, how to make partnership agreements between CRS and private sector enterprises, and how to enable local civil society partners to engage with the private sector.



An operational plan on how to roll out data collection on key metrics and learning questions across country programs and projects.



Allocation of roles and responsibilities across the PSE team, technical assistance, country programs, projects and MEAL teams in relation to MEAL for PSE.



Allocation of financial and human resources to actualize PSE and MEAL roll-out across the agency.

Annexes

Annex A

Examples of How Projects Integrate Private Sector Engagement

The following examples show how PSE can be integrated into programs that are working in different CRS Goal Areas. Each example comprises three sections:

1

The first page lists examples of PSE activities within projects in the relevant Goal Area. This is not meant to be an exhaustive list but provides examples from existing CRS projects and non-CRS projects working in PSE.

2

The second page illustrates an example theory of change that articulates project activities and how they contribute through a series of intermediate changes towards the Goal Area. Activities undertaken by CRS are shown in two colors. The **yellow boxes** show activities that are done through direct delivery by CRS or its civil society partners. The **green boxes** show activities which are PSE-led. The **grey boxes** are the changes that happen as a result of the orange and green activities, i.e. outputs, outcomes and impact.

3

The third page includes a table that takes the relevant boxes from the example theory of change and links them with the key metrics to assess the performance of work in PSE across CRS.

It is important to note that these pages only give examples for inspiration. Given the breadth and diversity of CRS projects, it is expected that there can be many more examples beyond those listed here. As CRS continues to develop new ways of working with the private sector, more examples can be added to showcase the range of work.



GOAL AREA
**Justice
& Peace**

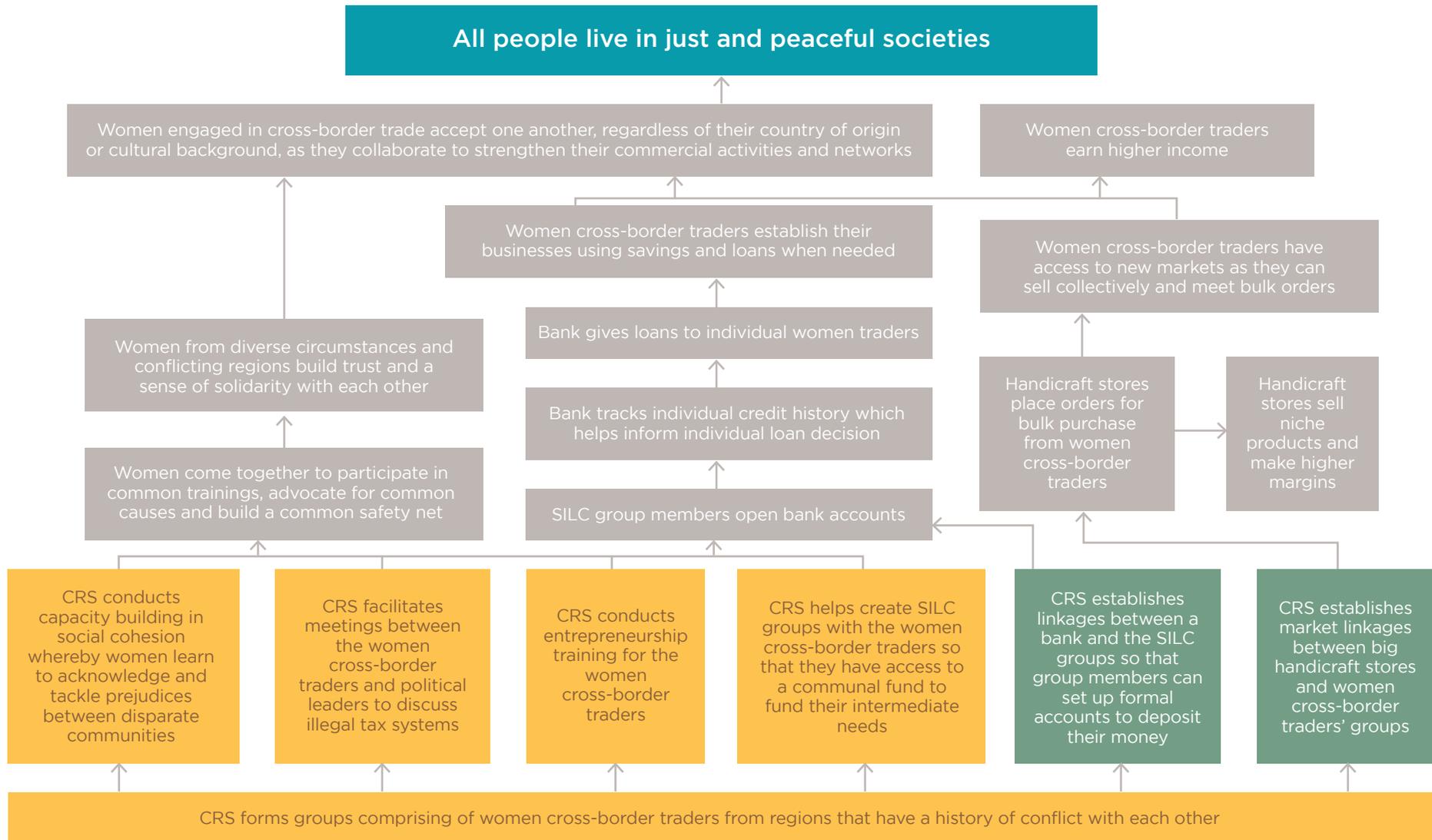
All People Live in Just and Peaceful Societies

Examples of integrating private sector engagement into peacebuilding programs

- Building business-related groups comprising of members from conflicting communities or diverse backgrounds so that they increase interaction with one another and build trust.
- Forming collaborations between private sector enterprises and underrepresented community members so that the community members form stronger relations with the market and become empowered. A more specific example of this is linking women cross-border traders with end markets that place bulk orders, which will help to ensure that groups continue to work together to improve individual returns.
- Creating mechanisms to increase participation of underrepresented community members in the formal economy, such as by facilitating access to formal financing for them.



Example theory of change: Peacebuilding project to build trust among women traders





Key private sector engagement metrics related to the peacebuilding project to build trust among women traders.

Theory of Change Box	PSE Key Metrics
Women engaged in cross-border trade accept one another, regardless of their country of origin or cultural background, as they collaborate to strengthen their commercial activities and networks.	Number of people who benefited from private sector action facilitated by CRS.
Women cross-border traders earn higher income.	Number of people who benefited from private sector action facilitated by CRS.
Bank gives loans to individual women traders.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.
Handicraft stores place orders for bulk purchase from women cross-border traders.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.
Handicraft stores place orders for bulk purchase from women cross-border traders.	Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.
Handicraft stores sell niche products and make higher margins.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.



GOAL AREA
**Humanitarian
Response**

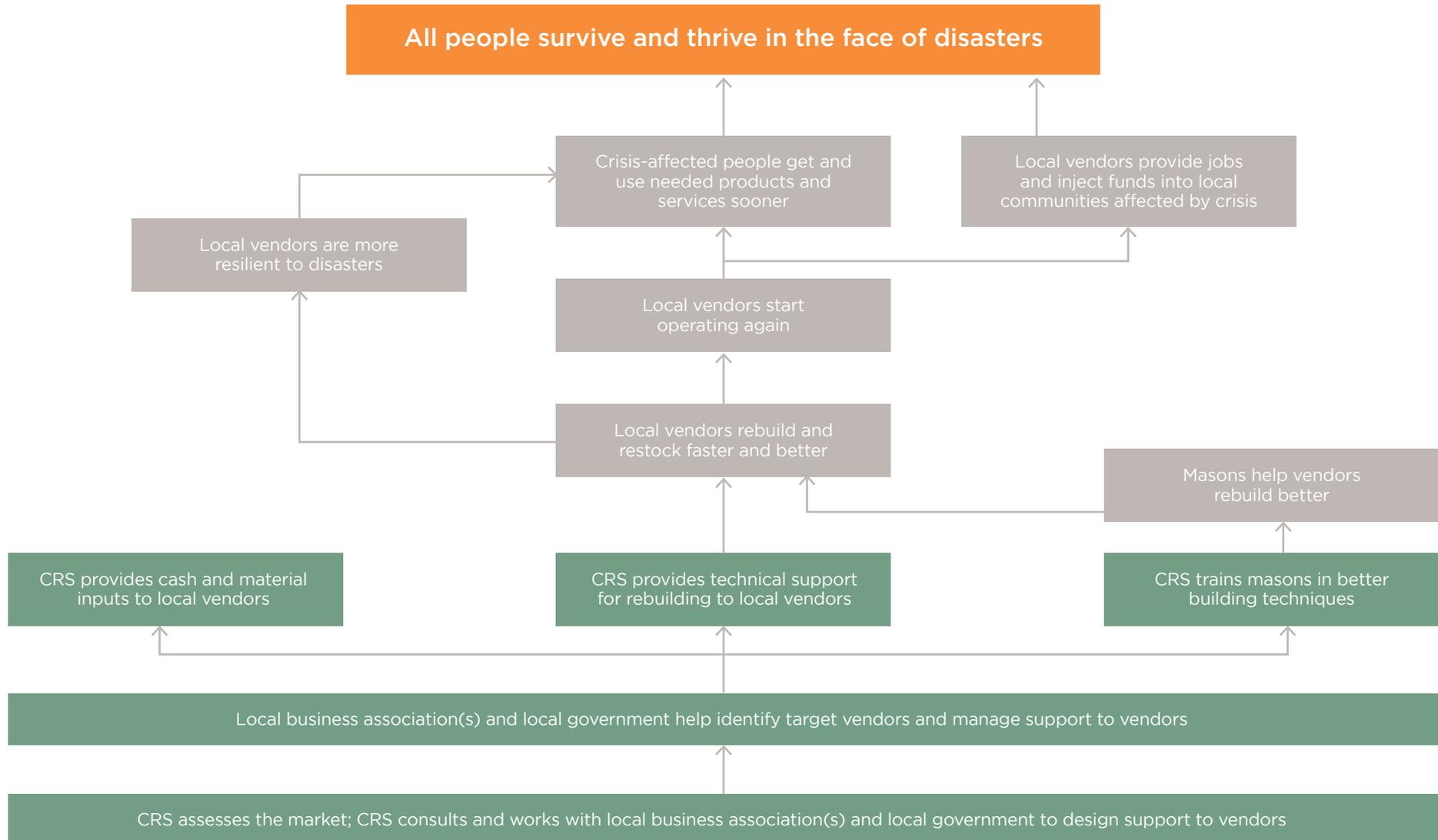
All People Survive and Thrive in the
Face of Disasters

Examples of integrating private sector engagement into humanitarian response
programs to benefit communities after disasters

- Supporting private sector vendors in the recovery from an emergency can enable vulnerable communities to get access to needed products and services more quickly and efficiently than they would otherwise.
- Helping vendors to reconnect their supply chains and restart operations quickly after an emergency supports the resumption of economic activity in emergency-affected communities, creating jobs and increasing incomes.
- Helping vendors build their shops and other structures back better increases their resilience to future disasters.
- Supporting private sector enterprises to innovate and introduce more disaster-resilient affordable housing materials can enable communities to invest in more resilient houses.



Example theory of change: Project supporting vendors after disaster





Key private sector engagement metrics related to the project supporting vendors after disaster

Theory of Change Box	PSE Key Metrics
Crisis-affected people get and use needed products and services sooner.	Number of people who benefited from private sector action facilitated by CRS.
Local vendors provide jobs and inject funds into local communities affected by disaster.	Number of people who benefited from private sector action facilitated by CRS.
Local vendors start operating again.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.
Local vendors rebuild and restock faster and better.	Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds. Number of documented examples where local (private sector) partner capacity was strengthened as a result of significant contributions by CRS.
Local vendors are more resilient to disasters.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.



GOAL AREA
**Livelihoods
& Landscapes**

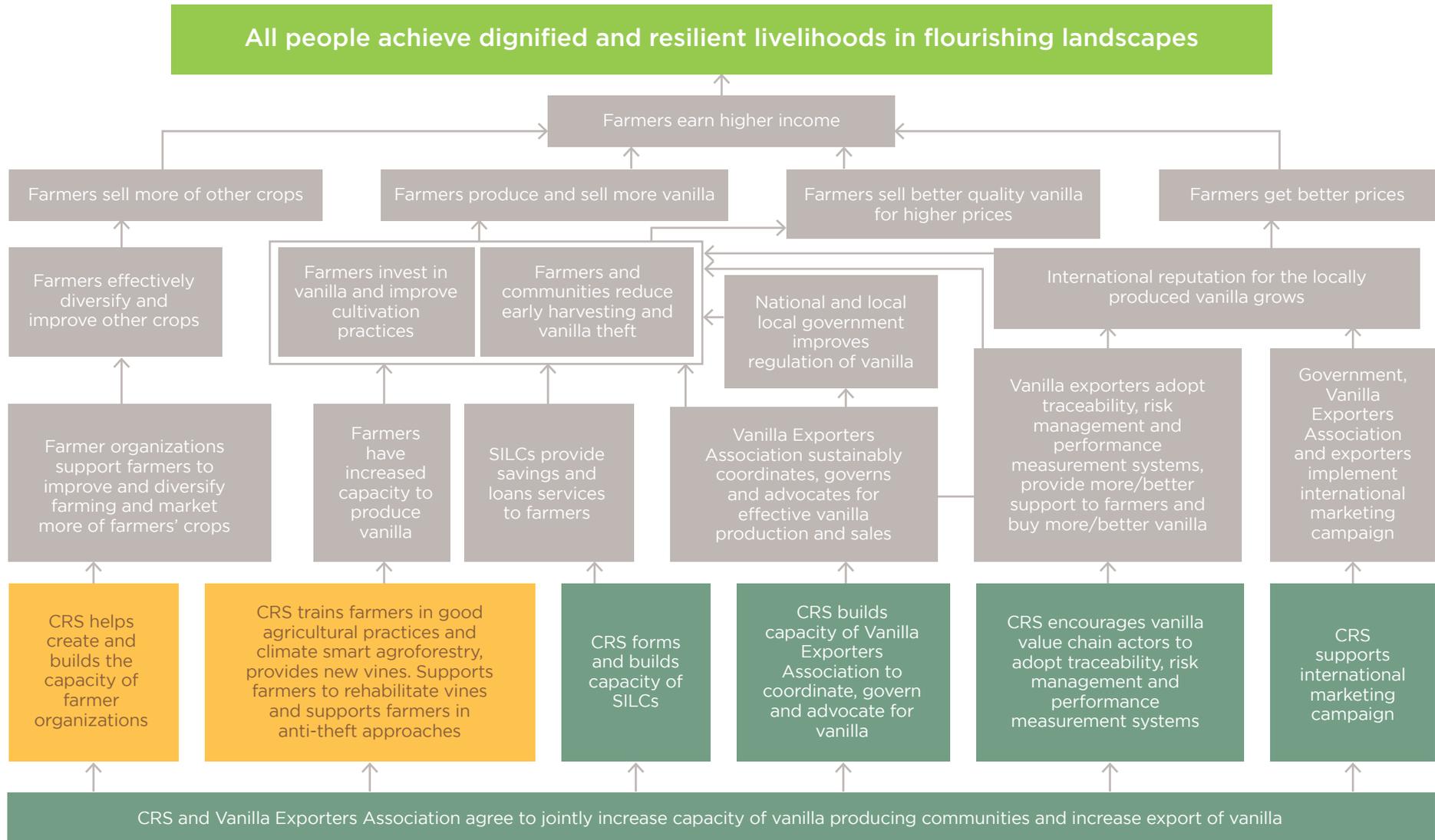
All People Achieve Dignified and Resilient Livelihoods in Flourishing Landscapes

Examples of integrating private sector engagement into agricultural value chain development programs

- Developing SILC groups so that farmers have access to loans and savings which they use as required to invest in their farming.
- Developing capacity of exporters associations as key stakeholders who can continue to drive development of exports even after the project ends.
- Involving different private sector enterprises as well as the government to drive agricultural exports as growth of the agricultural sector will ultimately benefit all actors involved in the value chain, including smallholder farmers.
- Working with private sector enterprises to develop better quality and affordable agricultural inputs which smallholder farmers can purchase to improve their productivity.
- Linking farming communities to more end markets such as supermarkets and groceries so that smallholder farmers receive more competitive prices.
- Collaborating with seed companies to innovate and produce more climate change resilient varieties of seeds.
- Working with seed companies to introduce more diverse cropping patterns by promoting different varieties of seeds which sustainably improve land productivity.



Example theory of change: Vanilla value chain development program





Key private sector engagement metrics related to the vanilla value chain development program

Theory of Change Box	PSE Key Metrics
Farmers earn higher income.	Number of people who benefited from private sector action facilitated by CRS.
Vanilla Exporters Association sustainably coordinates, governs and advocates for effective vanilla production and sales.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.
Vanilla Exporters Association adopts traceability, risk management and performance measurement systems, provide more/better support to farmers and buys more/better vanilla.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.
Government, Vanilla Exporters Association and exporters implement international marketing campaign.	Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.
CRS builds capacity of Vanilla Exporters Association to coordinate, govern and advocate for vanilla.	<p>Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.</p> <p>Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.</p>
Local vendors rebuild and restock faster and better.	Number of documented examples where local (private sector) partner capacity was strengthened as a result of significant contributions by CRS.



GOAL AREA
**Health &
Development**

All Children Reach their Full Health
and Development Potential in Safe
and Nurturing Families

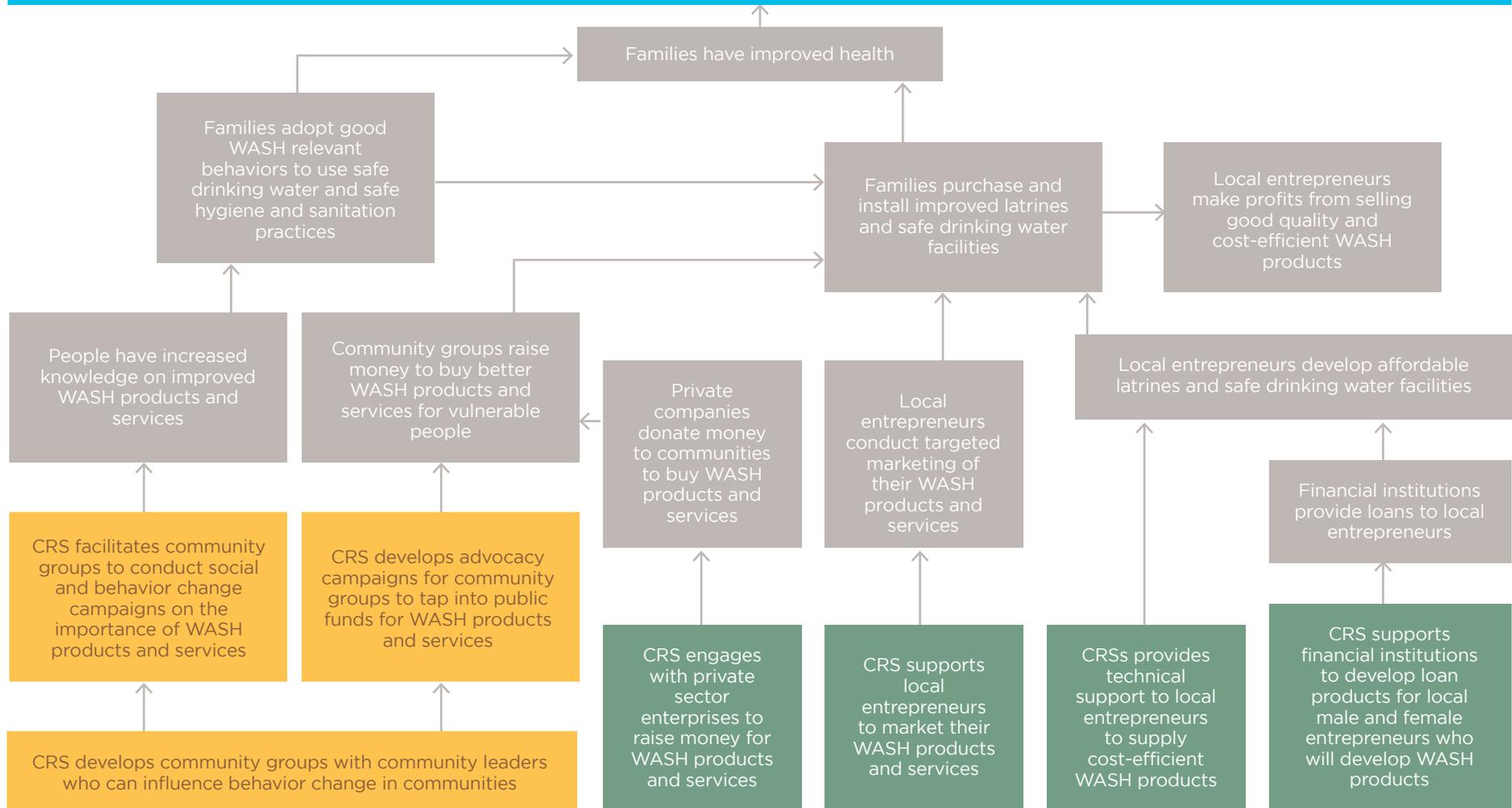
**Examples of integrating private sector engagement into WASH programs
to increase use of WASH products and services**

- Supporting WASH entrepreneurs to develop accessible and affordable WASH products and services can help families improve sanitation, hygiene and access to safe drinking water.
- Supporting WASH entrepreneurs to market their products and services effectively may help communicate key messages on WASH to clientele and help drive adoption of good practices such as washing hands, drinking water from safe sources and using clean latrine facilities.
- Engaging banks to develop financial products for small WASH entrepreneurs can increase access to finance and help drive small, local business growth.
- Engaging private sector enterprises to make donations for WASH products and services will increase awareness and allow community groups to use that money for WASH-related improvements.



Example theory of change: WASH project to increase families' use of WASH products and services

All people (including children) reach their full health and development potential in safe and nurturing families





Key private sector engagement metrics related to WASH project to increase families' use of WASH products and services

Theory of Change Box	PSE Key Metrics
Families adopt good WASH relevant behaviors to use safe drinking water and safe hygiene and sanitation practices.	Number of people who benefited from private sector action facilitated by CRS.
Families purchase and install improved latrines and safe drinking water facilities.	Number of people who benefited from private sector action facilitated by CRS.
Local entrepreneurs develop affordable latrines and safe drinking water facilities.	<p>Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.</p> <p>Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.</p>
Financial institutions provide loans to local entrepreneurs.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.
Local entrepreneurs conduct targeted marketing of their WASH products and services.	<p>Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.</p> <p>Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.</p>
Local entrepreneurs make profits from selling high quality and cost-efficient WASH products.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.
Private companies donate money to communities. to buy WASH products and services	\$ value of donations (cash or in-kind) from the private sector through philanthropy or corporate social responsibility for CRS supported projects.



GOAL AREA
**Health &
Development**

All Children Reach their Full Health and Development Potential in Safe and Nurturing Families

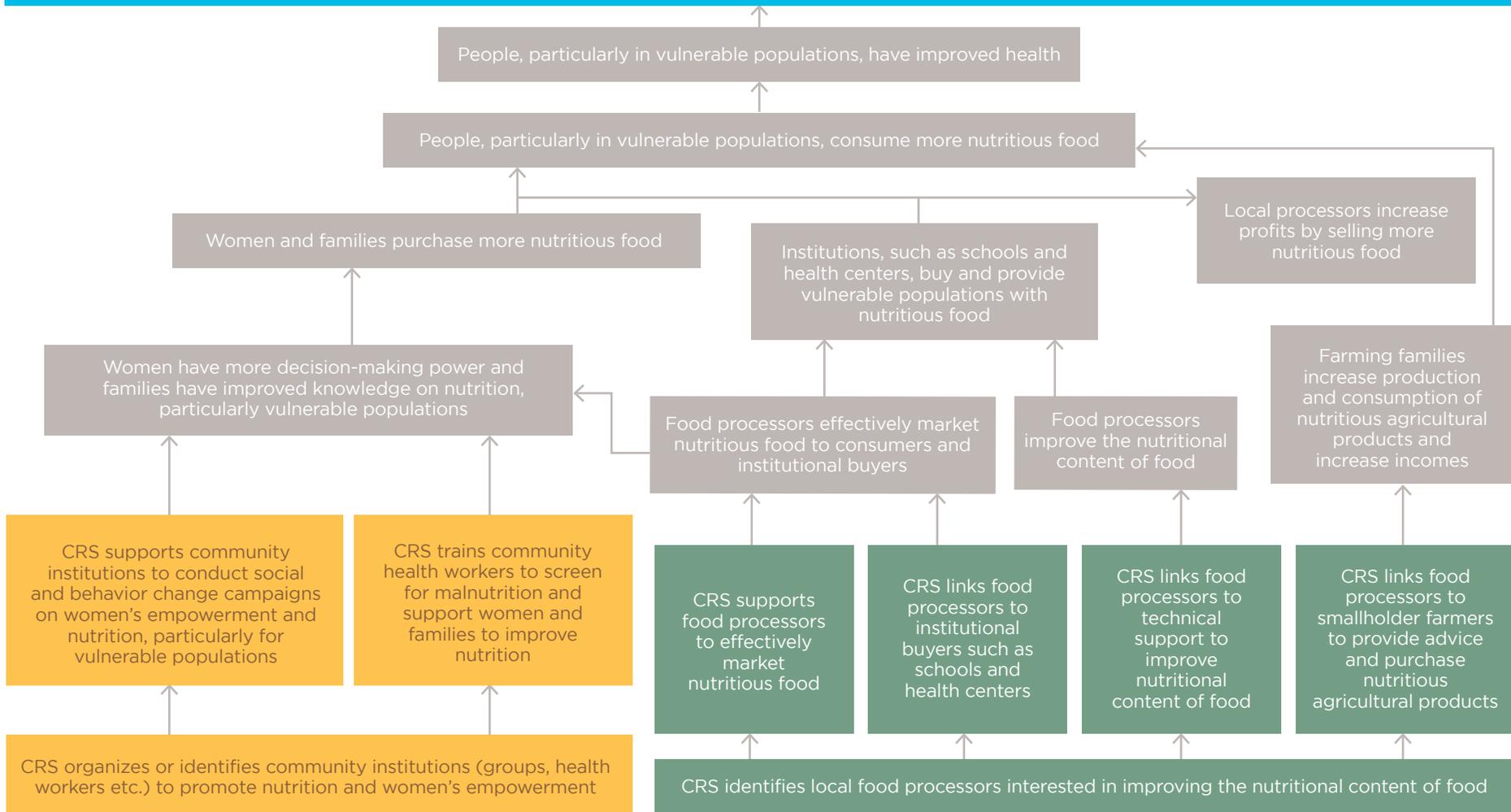
Examples of how private sector engagement can be integrated into nutrition programs to help vulnerable populations improve their nutrition

- Supporting businesses that provide nutritious food, supplements and/or fortified food to communities and schools can improve nutrition for vulnerable populations.
- Enabling businesses to provide technical advice in growing nutritious food to farming households from whom they procure from can improve nutrition for the farming households as well as vulnerable consumers.
- Engaging private sector businesses to make donations of appropriate, nutritious food to vulnerable groups and children will increase awareness and allow recipients to consume food with additional nutrient value.



Example theory of change: Nutrition program to help vulnerable populations improve their nutrition

All people (including children) reach their full health and development potential in safe and nurturing families





Key private sector engagement metrics related to the program to help vulnerable populations improve their nutrition

Theory of Change Box	PSE Key Metrics
People, particularly in vulnerable populations, consume more nutritious food.	Number of people who benefited from private sector action facilitated by CRS.
Food processors improve the nutritional content of food.	<p>Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.</p> <p>Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.</p>
Food processors effectively market nutritious food to consumers and institutional buyers.	<p>Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.</p> <p>Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.</p>
Local processors increase profits by selling more nutritious food.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.
CRS supports food processors to effectively market nutritious food.	Number of documented examples where local (private sector) partner capacity was strengthened as a result of significant contributions by CRS.
CRS links food processors to technical support to improve nutritional content of food.	Number of documented examples where local (private sector) partner capacity was strengthened as a result of significant contributions by CRS.



GOAL AREA **Health & Development**

All Children Reach their Full Health and Development Potential in Safe and Nurturing Families

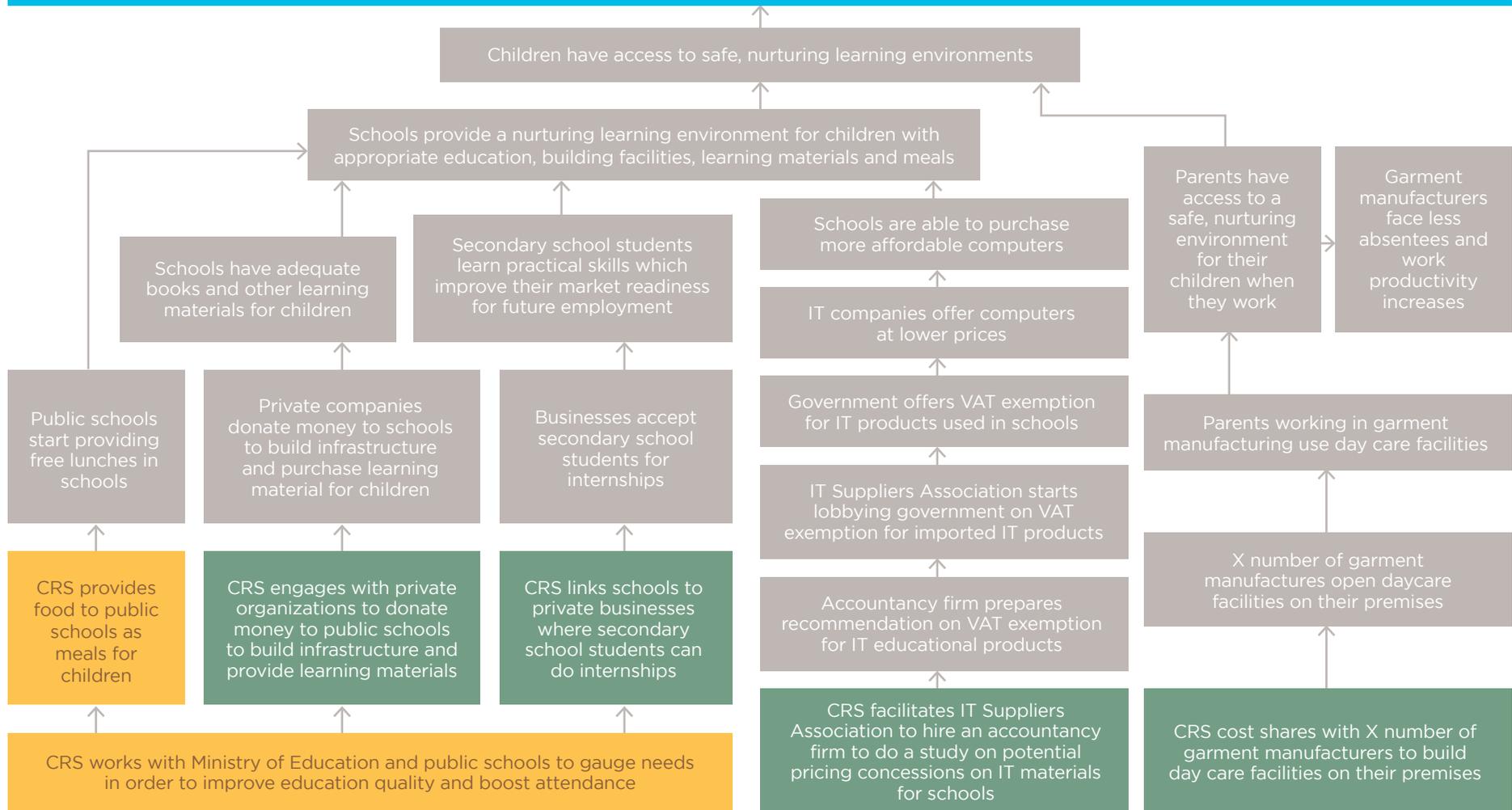
Examples of integrating private sector into education programs

- Facilitating collaboration between private training institutes and public schools to provide relevant training of trainers so that teachers can improve teaching methods and content for children.
- Engaging companies to make donations to schools so that schools can use the funds to build infrastructure, buy learning materials or provide nutritious meals as needed.
- Enabling private companies to build day care centers on their premises so that children are provided meals and a safe environment for their development.
- Helping industry bodies to lobby government to provide concessions for companies that produce educational material will help make educational material more affordable.
- Engaging education related IT product suppliers to make donations of computers and other IT devices will ensure that children have access to relevant educational products.
- Linking schools with private businesses so that secondary level students can do internships which will increase their market readiness and prepare them for the job market.
- Linking schools with local supply chains of agricultural produce, so that schools can procure fresh produce directly from local producers and local producers start producing more agricultural products to meet increased demand.



Example theory of change: Education program

All people (including children) reach their full health and development potential in safe and nurturing families





Key private sector engagement metrics related to the education program

Theory Of Change Box	PSE Key Metrics
Children have access to safe, nurturing learning environments.	Number of people who benefited from private sector action facilitated by CRS.
Businesses accept secondary school students for internships.	Number of innovations, good practices or collaborations adopted by private sector organizations, that were supported by CRS.
X number of garment manufacturers open day care facilities on their premises.	<p>Number of innovations, good practices or collaborations adopted by private sector organizations, that were supported by CRS.</p> <p>Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds.</p>
IT association starts lobbying government on VAT exemption for imported IT products.	Number of innovations, good practices or collaborations adopted by private sector organizations, that were supported by CRS.
Garment manufacturers face less absentees and work productivity increases.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.
Private companies donate money to schools to build infrastructure and purchase learning materials for children.	\$ of donations (cash or in-kind) from the private sector through philanthropy or corporate social responsibility for CRS supported projects.



GOAL AREA
**Youth Jobs
& Leadership**

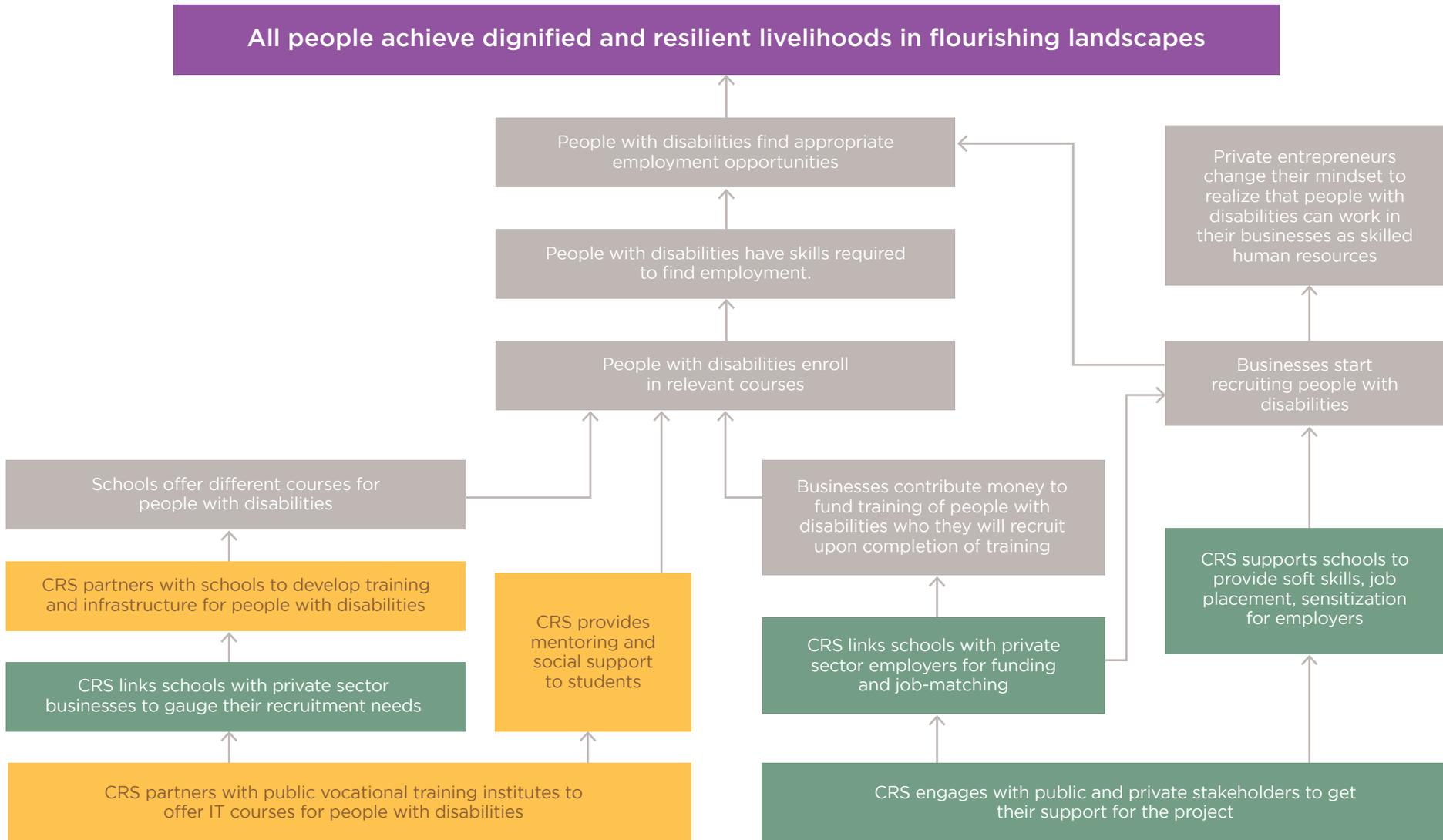
All Youth Are Empowered to Thrive

Examples of integrating private sector engagement into skills development programs

- Establishing linkages between training institutes and private sector employers so that training institutes can gauge employers' recruitment needs. Training institutes can harness this information to offer students more relevant training that improves hard and soft skills. This in turn increases employability once students complete their courses.
- Enabling training institutes to offer job placement, in addition to training, will help ensure that students get recruited after training.
- Working with public and private training institutes and businesses to ensure skills development and business recruitment is available and appropriate for young adults who are marginalized or vulnerable, including young adults with disabilities.
- Working with private sector enterprises to mentor young entrepreneurs starting new businesses.



Example theory of change: Skills development program integrating people with disabilities





Key private sector engagement metrics related to the education program

Theory of Change Box	PSE Key Metrics
People with disabilities find appropriate employment opportunities.	Number of people who benefited from private sector action facilitated by CRS.
Businesses start recruiting people with disabilities.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS.
Private entrepreneurs change their mindset to realize that people with disabilities can work in their companies as skilled human resources.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.
Businesses donate money to fund training of people with disabilities who they will recruit upon completion of training.	\$ of donations (cash or in-kind) from the private sector through philanthropy or corporate social responsibility for CRS supported projects.



All People Achieve Dignified and Resilient Livelihoods in Flourishing Landscapes



All Children Reach their Full Health and Development Potential in Safe and Nurturing Families



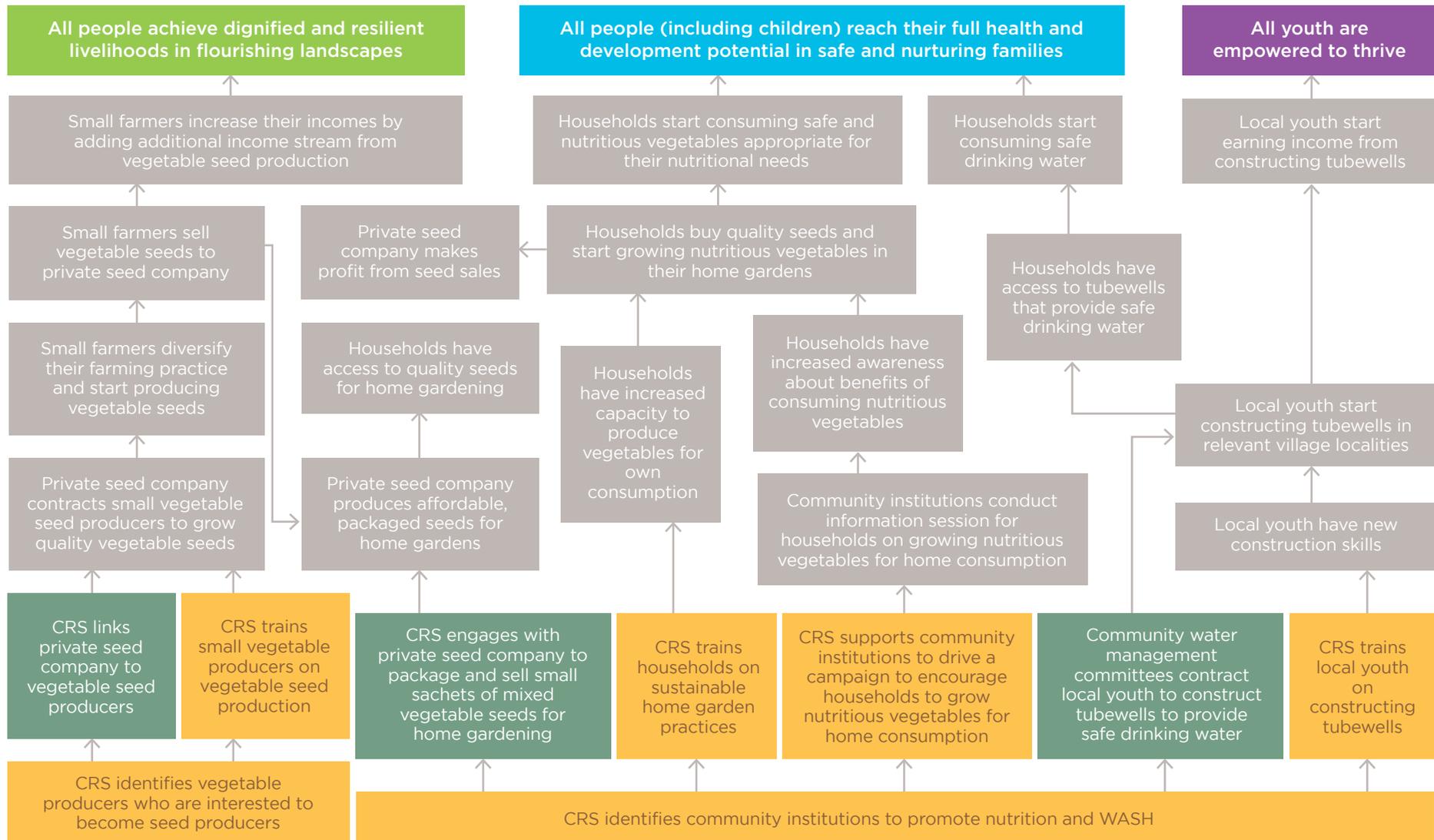
All Youth Are Empowered to Thrive

Examples of how private sector engagement can be integrated into programs working across several goal areas

- Establishing linkages between private seed producers and farming communities who can produce seeds will increase income generating opportunities for the farming communities.
- Enabling the production of good quality and affordable inputs required for production of nutritious agricultural produce will make it more accessible to farming communities. In turn, farming communities can increase production of nutrient rich varieties of agricultural produce.
- Facilitating food processors to make more fortified and nutritious products will help them diversify and increase access of nutritious food for clients.
- Engaging with community bodies to hire more local youth will create income generating opportunities for young men and women.
- Enabling local entrepreneurs to make affordable WASH products such as latrines, tubewells will help in generating income for local entrepreneurs and increase access of affordable WASH products for communities.



Example theory of change: Program working across several goal areas





Key private sector engagement metrics related to a program working across several goal areas

Theory of Change Box	PSE Key Metrics
Small farmers increase their incomes by adding additional income stream from vegetable seed production.	Number of people who benefited from private sector action facilitated by CRS.
Households start consuming safe and nutritious vegetables appropriate for their nutritional needs.	Number of people who benefited from private sector action facilitated by CRS.
Households start consuming safe drinking water.	Number of people who benefited from private sector action facilitated by CRS.
Local youth start earning income from constructing tubewells.	Number of people who benefited from private sector action facilitated by CRS.
Private seed company contracts small vegetable seed producers to grow quality vegetable seeds.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS. \$ value of private sector investment in innovations and good practices supported by CRS.
Private seed company produces affordable, packaged seeds for home gardens.	Number of innovations, good practices or collaborations adopted by private sector enterprises, that were supported by CRS. \$ value of private sector investment in innovations and good practices supported by CRS.
Private seed company makes profit from seed sales.	Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS.

Annex B

Details of Key Metrics

Item	Detail
<p>Indicator 1: Number of people who benefited from private sector action facilitated by CRS</p>	
<p>Precise definition of the indicator</p>	<p>The indicator relies on the following definitions in order to support data quality and comparability between cases:</p> <ul style="list-style-type: none"> • People who Benefited: People who benefited include those people who have a financial benefit (economic impact) as well as those people who have a non-financial benefit (social, civic and environmental impact). ‘Benefit’ needs to be defined by project-specific goals or objectives but must represent the highest level of impact envisioned by the project’s design. In order to report on the people who benefited, the benefit also needs to be assessed to ensure that indeed people are better off than before. People who benefited include those who are directly impacted as a result of a project’s work and those who benefited through influence as a result of other private sector enterprises or people adopting and/or replicating those directly impacted by a project’s work. • Private sector action: When the private sector supports humanitarian and development outcomes in a range of capacities, all of which lead to a financial or non-financial benefit for people or communities by:⁹ <ul style="list-style-type: none"> ♦ Supplying goods and services or purchasing goods and services, or hiring employees, in its commercial capacity. ♦ Driving innovation through research, technology, and similar approaches. ♦ Contributing managerial, operational and industry-specific expertise. ♦ Investing resources with expected financial returns. ♦ Providing grants or in-kind donations through philanthropy or corporate social responsibility. • Facilitated: When CRS collaborates with private sector enterprises to enable them to support humanitarian and development outcomes.
<p>Disaggregated by</p>	<ul style="list-style-type: none"> • Direct and influenced • Gender • Goal Area • Disability type (if relevant) • Age group (if relevant)

⁹ Benson (2020) *Private Sector Engagement Playbook*, Catholic Relief Services.

Item	Detail
Examples	<ul style="list-style-type: none"> • People who benefit financially include those who have additional savings or additional income as a result of private sector action facilitated by CRS. For example, if farmers’ incomes increase because CRS linked them with a food processing company who gives them better prices for their produce. • Those who benefit non-financially include those who are positively affected by a better environment, a health benefit or a social benefit as a result of a private sector innovation facilitated by CRS. For example, people have access to safe drinking water from tubewells as a result of CRS helping to set up local entrepreneurs who sell affordable WASH products. Or women traders from marginalized communities get social recognition because CRS helps increasing their membership in more trader associations. • ‘People who benefit’ needs to be defined by project-specific goals or objectives. For a project working in enterprise development, the number of people who benefited may include the microenterprises that use loans to expand their businesses. In a WASH project, the number of people who benefited may include those who start using good quality, affordable latrines. In a malaria project, the number of people who benefited may include the number of children who receive seasonal malaria chemoprevention. • Directly benefited people may include those who consume fortified biscuits that are made by private company X that was directly supported by CRS to innovate and fortify their biscuits with vitamin A. In the same example, if another company Y starts replicating company X’s model of making fortified biscuits (without any support from CRS), then people who consume those biscuits would fall under the category of people who benefited through influence of CRS’ work.
Link with existing CRS/ USAID metrics	<ul style="list-style-type: none"> • Link to Agriculture and Livelihood indicator G3 (Resilient Communities): Percentage of farming households who (a) progressed; (b) are resilient (bounced back better or bounced back). If this result is due to PSE, then these farming households also fall under this indicator. • This metric could be a subset of the agency metric ‘program participants’ submitted separately to the PSE team. • This metric is also a subset of some goal-specific agency metrics that are included under CRS Vision 2030 Strategy Outcome Indicators, such as the number of people with access to shelter that meets agreed technical and quality standards, number of people who have overcome poverty, number of youth who obtain employment or self-employment, when these results are due to PSE.

Item	Detail
------	--------

Indicator 2: Number of innovations, good practices or collaborations adopted by private sector enterprises that were supported by CRS

<p>Precise definition of the indicator</p>	<p>The indicator includes both private sector enterprises supported directly by CRS and those influenced private sector enterprises that change due to learning about, copying and/or responding to an enterprise supported by CRS. The indicator relies on the following definitions in order to support data quality and comparability between cases:</p> <ul style="list-style-type: none"> • Innovations: An innovation is a new idea that results in better solutions that meet the market’s needs.¹⁰ Innovations can apply to products, services, delivery mechanisms or practices that private sector enterprises introduce or adapt as a result of support by CRS, which eventually help in realizing humanitarian and development outcomes. • Good practices: Good practices include all practices adopted by private sector enterprises as a result of collaborating with CRS that will contribute towards reaching development and humanitarian outcomes in one or more of the following ways: <ul style="list-style-type: none"> ♦ Acting through its commercial capacity: The private sector is a supplier or purchaser of goods and services to targeted populations. Or in another example, the private sector acts as an employer of targeted populations. ♦ Contributing through expertise: The private sector provides their managerial, operational, and industry-specific expertise towards reaching humanitarian and development outcomes. ♦ Providing investment: The private sector makes an investment that furthers their business development and growth and also contributes towards reaching humanitarian and development outcomes. • Collaborations: Private sector enterprises start collaborating with different stakeholders (government, associations, communities, other businesses) to benefit targeted populations.
--	--

<p>Disaggregated by</p>	<p>Goal Area</p>
-------------------------	------------------

<p>Examples</p>	<ul style="list-style-type: none"> • As a result of collaboration with or intervention by CRS, a private sector company innovates and provides a new product or service, or uses a new delivery model. For example, a seed company packages and sells small packets of hybrid seeds for smallholder farmers; or a private logistics company provides installation services along with delivering roofing materials to their clientele who are located in remote locations. • As a result of collaboration with or intervention by CRS, a private sector company adopts good practices. For example, a wholesale business starts buying vegetables from smallholder farmers in remote communities; or a private training institute starts offering courses at hours that are more accessible to women.
-----------------	---

¹⁰ Benson (2020) *Private Sector Engagement Playbook*, Catholic Relief Services.

Item	Detail
Examples	<ul style="list-style-type: none"> • As a result of collaboration with or intervention by CRS, a private sector company removes its negative bias towards only hiring able-bodied individuals and starts hiring disabled individuals. • As a result of collaboration with or intervention by CRS, a private sector company innovates and start regarding different groups of people as their consumer segment. For example, a bank developing a new low interest loan product for small start-ups. • As a result of collaboration with or intervention by CRS, private sector companies start collaborating with different stakeholders (government, associations, communities, other businesses). For example, a group of vegetable-exporting companies lobby for more favorable export regulations for crops grown by smallholder farmers; or a construction business forms a partnership with a financial service provider to provide a customized loan product for their clients.

Indicator 3: Proportion of \$ value of innovations, good practices and collaborations financed by private sector relative to CRS funds

Precise definition of the indicator	<p>This indicator only includes private sector ‘investment’ which contributes towards achieving humanitarian and development outcomes targeted by CRS. Investment is defined in USAID’s Private Sector Engagement Policy as ‘The expenditure of money or capital with the expectation of obtaining an additional income or profit’.¹¹ This indicator should only include financial or non-financial contributions by the private sector which are a part of their business model and which are made with an intention to further business interests while at the same time contributing towards development and humanitarian outcomes. It does not include any grants or donations that are provided as a part of a business’s philanthropic or corporate social responsibility contributions.^{12, 13} An estimate of the \$ value of in-kind investments should be made. In cases where it is not possible to quantify in-kind investment, there should be a qualitative description of the investment to have a better understanding of it. In order to calculate the proportion of private sector investment relative to CRS funds, projects need to track both:</p> <ul style="list-style-type: none"> • \$ value of private sector investment in innovations, good practices and collaborations supported by CRS. • \$ value of CRS funds used to support the same innovations, good practices and collaborations.
Disaggregated by	Nil

¹¹ USAID (n.d.) *Private Sector Engagement Policy*, United States Agency for International Development.

¹² Ibid.

¹³ Note that USAID includes grants (cash and in-kind gifts and services provided through private-sector partnerships) under leverage (USAID (n.d.)). If a CRS project is funded by USAID, it should still separate out the financial or non-financial contributions by the private sector which are a part of their business model from grants and contribution for the purpose of internal reporting.

Item	Detail
Examples	<p>The total value of investment made by a private sector enterprise that supports the aims of a CRS project includes investment both in cash and kind. If CRS supports a private food processor to make iodized salt by covering 70% of the cost of machines, then the total investment made by the private sector company would be the value of the remaining 30% cash investment and other in-kind investments, such as staff time spent to make the product (counted by salary paid to those staff). The total value of CRS funds spent towards the same would be the value of the 70% equipment contribution that CRS makes to support the private company to start making iodized salt.</p>
Link with existing CRS/ USAID metrics	<p>Link to Agriculture and Livelihood indicator BB7.3: Value of public and private investment in service provision, leveraged by CRS (adapted from USAID indicator 4.5.2 (32)). The PSE indicator would be a subset of this indicator (private only and investment only - not including donations).</p>
<p>Indicator 4: Number of private sector enterprises who expect to continue with or further develop innovations, good practices or collaborations supported by CRS</p>	
Precise definition of the indicator	<p>This indicator will measure the total number of private sector enterprises (businesses, associations, cooperatives, etc.) who give an indication that they are willing to continue with or further develop innovations, good practices or collaborations supported by CRS. This may be assessed in different ways:</p> <ul style="list-style-type: none"> • Number of private sector enterprises who confirm their satisfaction with the innovation, good practice or collaboration that they have adopted and confirm their interest to continue with the same. • Number of private sector enterprises who increase their business revenues, profits or customer base because of the innovation, good practice or collaboration they adopted. • Number of private sector enterprises who develop concrete plans and make investments (such as money or staff time) to continue or expand an innovation, good practice or collaboration they adopted. <p>Note: While the reported metrics are quantitative, the actual measurement involves qualitative information gathering. For example, by talking with a private sector enterprise owner who was supported by CRS to find out why or why not she/he is satisfied with the innovation, good practice or collaboration. If satisfied, how she/he plans to adapt it in future, and whether it is financially feasible for the private sector enterprise to continue the innovation, good practice or collaboration without support in the future.</p>
Disaggregated by	Goal Area

Item	Detail
Examples	<ul style="list-style-type: none"> • A private training institute that CRS has supported by providing technical and financial assistance to upgrade specific courses indicates that they will now, on their own, make investments to upgrade the course materials for other courses. • A seed company that was supported by CRS to expand last-mile distribution networks to include more smallholder farmers has reached break-even point and predicts a profit within the next two years on this new distribution channel.

Indicator 5: Number of CRS private sector partnerships

Precise definition of the indicator	This indicator includes the total number of private sector partnerships CRS works with in projects. The collaboration should be formalized by an agreement and be aimed at working with and helping a private sector enterprise (or group of private sector enterprises) to adopt an innovation, good practice or new collaboration.
Disaggregated by	<ul style="list-style-type: none"> • Local and international ownership • Goal Area
Examples	<ul style="list-style-type: none"> • If a CRS project works with two companies in two separate groups of activities with separate partnership agreements to do different things, then the number of private sector partnerships in that project will be considered as two. For example, if a project works with a bank on a partnership to introduce a new loan product for small and medium enterprises and it also works with the Chamber of Commerce in another partnership to set up an incubation facility to support the growth of youth-led start-ups, then those two would fall under two different partnerships. • If a CRS project works on a partnership to improve the capacity of a processing company to help in producing and marketing fortified milk, then it may include different collaborations under the same partnership. For example, working with a nutrition institute to advise on the fortification, and linking the processing company to a media business to develop the marketing strategy. These would fall under the same partnership of enabling the processing company to sell more fortified milk. Thus, it would count as one partnership.

Indicator 6: Number of documented examples where local private sector enterprise partner capacity was strengthened as a result of significant contributions by CRS.

This indicator will capture a sub-set of examples (related to private sector enterprise partners) from existing OverOps Global Cross-Cutting Key Performance Indicator #1. All information on this indicator is copied from the [Performance Indicator Reference Sheet](#). For more information on this specific indicator, refer to [Resources for Cross-Cutting Indicators](#).

Precise definition of the indicator	<p>The indicator relies on the following definitions in order to support data quality and comparability between cases:</p> <ul style="list-style-type: none"> • Local partners: Private sector enterprises engaged in relationships with CRS, based on mutual commitment and complementary purpose/values and often supported by shared resources, which result in positive change.
-------------------------------------	---

Item	Detail
<p>Precise definition of the indicator</p>	<ul style="list-style-type: none"> • Capacity: The ability of individuals and organizational units to perform functions effectively, efficiently and in a sustainable manner. • Capacity strengthening: A deliberate process that improves the ability of an individual, group, organization, network or system to enhance or develop new knowledge, skills, attitudes, systems and structures needed to function effectively, work toward sustainability and achieve goals. Capacity strengthening work in CRS requires the following key steps: <ol style="list-style-type: none"> 1. Gauging commitment from partner. 2. Initial assessment. 3. Action planning to address gaps or priorities. 4. Support from CRS in a range of ways to implement action plan. 5. Re-assessment to determine change in capacity using the same tool or method. 6. Document lessons learned. <p>Capacity strengthening consists of three components: capacity building, institutional strengthening and accompaniment. During capacity building activities, individuals and teams are developing or strengthening new knowledge, skills and attitudes. Institutional strengthening approaches are used to develop or improve internal systems, processes and structures in the organization. Accompaniment is the consistent coaching of individuals and teams following capacity building and/or institutional strengthening processes.</p> • Capacity strengthened: Improvement in measures of organizational capacity or sectoral/programmatic capacity determined by a comparison in an initial assessment and reassessment using an established capacity assessment tool. • Significant contribution: Significant contribution requires that the accompaniment and financial investment provided by CRS, in order to advance the capacity strengthening action plan, has resulted in improvements in partner capacity.
<p>Disaggregated by</p>	<p>None</p>
<p>Examples</p>	<p>If CRS partnered with a food processing company to build its technical capacity by hiring a nutrition expert to advise on nutrient content for fortified food, the company's capacity is strengthened by establishing a direct and sustainable contact with the technical consultant so that the company can continue accessing this support as and when required over the long term.</p>
<p>Link with existing CRS/USG metrics</p>	<p>This is a sub-set of existing OverOps Global Cross-Cutting Key Performance Indicator #1.</p>

Item	Detail
<p>Indicator 7: \$ value of donations (cash or in-kind) from private sector through philanthropy or corporate social responsibility for CRS supported projects</p>	
<p>Level in Theory of Change</p>	<p>Output</p>
<p>Precise definition of the indicator</p>	<p>The indicator relies on the following definitions in order to support data quality and comparability between cases. These definitions are adapted from the Private Sector Engagement Playbook.</p> <ul style="list-style-type: none"> • Corporate Social Responsibility: A form of self-regulation where businesses aim to contribute to societal goals. Actions are typically philanthropic, activist or charitable and expressed through donations, volunteer support and ethical business practices. • Grant: Non-repayable funds or products given by a private sector business to a recipient, often to serve a specific purpose. • Philanthropy: Charitable giving undertaken by a private sector business to improve human welfare. • Donations: Any grant in cash or in kind by a private sector enterprises to CRS or to support the activities and aims of a CRS project. The \$ value of in-kind donations should be estimated.
<p>Disaggregated by</p>	<p>None</p>
<p>Examples</p>	<ul style="list-style-type: none"> • A private business makes a donation of WASH products as part of its corporate social responsibility. • A private company’s employees volunteer to distribute humanitarian relief in a cyclone affected area.

faith.
action.
results.



228 West Lexington
Street, Baltimore,
MD 21201-3443, USA

[crs.org](https://www.crs.org)

©2021 Catholic Relief
Services. All Rights
Reserved.