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## Final Evaluation of the USAID/*Alianzas* Project



**December 12, 2014**

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# Monitoring & Evaluation Program

## Final Evaluation of the USAID/*Alianzas* Project

Submitted to:  
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## ACRONYMS

AMS:	Future Multi-Sector Alliance (In Spanish, Alianza Multisector a futuro)
ASIES:	Research and Social Studies Association (In Spanish, Asociación de Investigación y Estudios Sociales)
CentraRSE:	Corporate Social Responsibility Action Center (In Spanish, Centro para la Acción de la Responsabilidad Social Empresarial en Guatemala)
COCODE:	Community Development Council (In Spanish, Consejo Comunitario de Desarrollo)
COP:	Chief of Party
CSR:	Corporate Social Responsibility
ENADE:	National Business Forum (In Spanish, Encuentro Nacional de Empresarios)
ENSMI:	National Maternal and Child Health Survey (In Spanish, Encuesta Nacional de Salud Materno Infantil)
FUG:	United Way, Guatemala Chapter (In Spanish, Fondo Unido de Guatemala)
FUNCAFE:	National Coffee Foundation (In Spanish, Fundación Nacional del Café)
FUNDAZÚCAR:	Sugar Foundation (In Spanish, Fundación del Azúcar)
FUNDESA:	Guatemalan Development Foundation (In Spanish, Fundación para el Desarrollo de Guatemala)
GOG:	Government of Guatemala
HIV:	Human Immunodeficiency Virus
INE:	National Statistics Institute (In Spanish, Instituto Nacional de Estadística)
MINEDUC:	Ministry of Education
NGO:	Non-Governmental Organization
PADEP:	In-service Teacher Training Program (In Spanish, Programa de Actualización Docente en Servicio)
PSAG:	Private Sector Advisory Group
PRODESSA:	Santiago Development Project (In Spanish, Proyecto de Desarrollo Santiago)
SRH:	Sexual and Reproductive Health
ToR:	Terms of Reference
USAC:	San Carlos University, Guatemala
USAID:	United States Agency for International Development
WV:	World Vision, Inc.

## Resumen Ejecutivo

Este informe corresponde a la evaluación de la segunda etapa del Proyecto Alianzas Multi-Sectores (2010-2014), comúnmente denominado *Alianzas*. El objetivo de la evaluación fue proveer a USAID/Guatemala un análisis de los hallazgos clave, lecciones aprendidas y valor agregado por Alianzas. Esta evaluación final también servirá para proveer recomendaciones para la implementación de alianzas público privadas a futuro, bajo el enfoque sugerido en salud y educación.

La evaluación fue realizada por DevTech Systems, Inc. y la *Asociación de Investigación y Estudios Sociales* (ASIES). DevTech y ASIES conformaron un equipo de expertos en diseño, implementación, monitoreo y evaluación de proyectos de desarrollo en la región. El equipo también cuenta con experiencia en el establecimiento de alianzas entre los sectores público y privado, especialmente en el área de responsabilidad social empresarial (RSE), con énfasis en las áreas de salud y educación.

La estrategia evaluativa constó de cuatro fases: a) Fase 1: establecimiento del proyecto de evaluación, en la cual se revisaron y aclararon los objetivos y resultados esperados de la evaluación; b) Fase 2: fase de inicio: *Definición de la visión estratégica del programa, componentes de intervención, organizaciones aliadas, así como análisis de la documentación base del programa*; c) Fase 3: fase de recolección de datos (estudio de campo); y d) Fase 4: análisis de hallazgos, interpretación de resultados y presentación del informe final.

Dado que el propósito de la evaluación es enfocarse en medir la efectividad de los métodos de intervención del Proyecto durante su segunda fase (2010-2014), el objetivo del enfoque metodológico fue detectar el punto de vista en cuanto a relevancia, consistencia, éxito, obstáculos y desafíos de un grupo de actores y socios clave, así como recomendaciones para la sostenibilidad de experiencias a futuro bajo este sistema.

En su definición conceptual y estratégica, el Proyecto presentó el objetivo de generar recursos financieros, en efectivo y en especie, con la característica innovadora principal de "apalancamiento financiero", bajo el entendido de que por cada dólar de contribución de USAID, el socio inversionista debería contribuir con un mínimo de dos dólares (2:1) a programas sociales en las comunidades objetivo. Por lo tanto, se formarían alianzas con un amplio rango de socios del sector privado, ya sea organizaciones con fines de lucro, o bien no lucrativas de cualquier tamaño, grandes, medianas o pequeñas.

El equipo evaluador identificó tres tipos de asociaciones con el sector corporativo y comercial: a) inversionistas financieros no implementadores (con fines de lucro), b) socios financieros implementadores (sin fines de lucro), y c) socios implementadores no financieros (sin fines de lucro), todos del sector privado como negocios, organizaciones no lucrativas, o bien corporaciones lucrativas. Hubo también otro grupo de socios que representó a los implementadores de la sociedad civil.

Adicionalmente, la estrategia del Proyecto incluyó la creación y fortalecimiento de un Grupo Asesor del Sector Privado (GASP), para apoyar, asesorar y comunicar inquietudes, intereses y prioridades del sector privado, así como para ayudar en la generación de alianzas importantes con las compañías principales.

La evaluación se condujo del 21 de septiembre al 21 de noviembre de 2014, a través de la aplicación de 15 entrevistas con socios implementadores inversionistas, tres entrevistas con consorcios corporativos y tres grupos de enfoque: uno con gerentes del proyecto, uno con miembros del Grupo Asesor del Sector

Privado, y uno con personal técnico del programa de salud FUNCAFÉ, en los departamentos de Huehuetenango y El Quiché.

Para alcanzar este objetivo, se solicitó al equipo evaluador enfocarse en los siguientes cinco criterios: 1) pertinencia de los modelos de alianzas del Proyecto Alianzas en cumplimiento con los Principios de USAID y la definición de generación de alianzas (Modificación 15); 2) valor agregado en términos de experiencias exitosas y cambios significativos; 3) obstáculos y desafíos; 4) sostenibilidad de las intervenciones; y 5) observaciones de los socios del proyecto que ayuden al mejoramiento de la estrategia en futuras experiencias similares.

A continuación se presenta un resumen de hallazgos y recomendaciones en base a los cinco criterios básicos de evaluación:

Con relación a la *relevancia* y *consistencia* del Proyecto, la mayoría de los actores consultado estuvo de acuerdo en reconocer que a pesar de las debilidades de la implementación del proyecto, la intervención fue consistente y relevante con relación al concepto y los principios originales del Proyecto. Al mismo tiempo, todos reconocen a RTI como una institución facilitadora y articuladora que inspiró confianza en nombre de los socios del sector privado, quienes siempre estuvieron dispuestos a asumir riesgos y beneficios, especialmente dado que están acostumbrados a la toma de riesgos en sus actividades de negocios.

Aunque el cambio de reglas con relación al área de intervención no se aceptó al inicio, ninguno de los socios del proyecto se retiró. De igual forma, algunos percibieron que la estrategia de intervención del proyecto no consideró los intereses comerciales del sector privado.

La mayoría de socios corporativos indicó que no hubo mucho interés en participar en temas específicos como VIH/SIDA y Salud sexual y reproductiva, en algunos casos debido a factores culturales o falta de conocimiento o experiencia en el manejo de estos temas.

En cuanto a relaciones con los gobiernos locales, la mayoría de actores consultados indicaron que éstas se desarrollaron al nivel de confianza del sector privado con oficiales gubernamentales y especialmente los portafolios de salud y educación.

Al abordar la relevancia y consistencia del Proyecto, las personas consultadas expresaron que en una experiencia similar futura, el componente relacionado con la visión estratégica y sostenibilidad de intervenciones debe estar sujeto al acuerdo político entre donantes, actores clave, sociedad y gobierno.

De forma similar, el Proyecto debe continuar promoviendo y fortaleciendo la Responsabilidad Social Corporativa, al asegurar que el sector privado trascienda del área de influencia (empleados y área geográfica de intervención directa) para invertir en temas a nivel nacional en otras áreas prioritarias y fuera de su área de influencia e intereses comerciales.

Adicionalmente, se sugiera que la entidad que asuma el rol de RTI en el futuro se convierta en una facilitadora e integradora de prioridades e intervenciones de prioridades en salud y educación (estrategia objetivo), para permitir que el sector privado invierta en salud y educación en formas que se encuentren alineadas a sus intereses particulares. Para lograr esto, se necesita una estructura representativa de gobierno lo suficientemente representativa, que incorpore los niveles

político/estratégico, los actores de alta influencia a nivel nacional, y los comités de asesores para apoyar la implementación.

Con relación a *mejores prácticas y cambios significativos*, todos los actores consultados reconocieron el alto valor del principio de apalancamiento (2:1), aunque a algunos hubieran preferido reducirlo a 1:1. El apoyo técnico recibido también se reconoció, especialmente en las áreas de gerencia y rendición de cuentas, así como la posibilidad de tener una agenda común (temática y áreas prioritarias), y los leves logros en la transición de un enfoque estrictamente filantrópico a un enfoque más estratégico en cuanto a los problemas identificados. Con estos y otros elementos, los entrevistados estuvieron de acuerdo en asignar un valor alto a la idea de las alianzas público-privadas, especialmente relacionadas con los temas de prioridad nacional (agenda común), pero alineados a la política pública.

En cuanto a los factores de *obstáculos y desafíos*, la mayoría se refirió al contenido de la Modificación 15, especialmente en lo que se refiere al cambio en el área geográfica, la reducción presupuestaria y en el caso de las ONG, la obligación a convertirse en un socio corporativo. Tal como se indica en el documento, esto se debe a que prefieren intervenir en su área de influencia e intereses comerciales. La meta de una relación de apalancamiento de 2:1 presentó un desafío a lo largo del periodo del proyecto.

Al mismo tiempo, los entrevistados aún hacían mención de la excesiva burocracia (procedimientos y controles), pero también la reconocieron como un gran valor agregado a sus instituciones. En este componente, los factores culturales nuevamente fueron un desafío para la implementación del programa en temas como salud sexual y reproductiva, y VIH.

Otros desafíos mencionados se refieren a la falta de coordinación entre los programas de USAID, la falta de contacto entre socios implementadores con negocios, rotación del personal de RTI y poco soporte técnico especializado en las áreas de salud y educación, así como poca comunicación, información y divulgación de la naturaleza, objetivos, estrategias y éxitos del proyecto.

Dados estos obstáculos, la mayoría de actores recomiendan que se respete el status de socio, que se revise y se creen instrumentos y procesos más flexibles, que se asegure el cumplimiento con tiempos acordados y que exista un equipo de especialistas para brindar apoyo en áreas prioritarias a definir. Todo esto, aunado con una comunicación eficiente, una estrategia de promoción y alcance, así como el fortalecimiento del nivel político-estratégico y la participación de otros donantes, la sociedad civil, el gobierno, la academia y centros de pensamiento para mejorar la visión y las intervenciones de orientación.

Respecto de la *sostenibilidad*, la mayoría de actores consultados notaron y apreciaron altamente, haber tenido una agencia facilitadora confiable con personal local. Adicionalmente, el éxito fue respuesta a las necesidades sociales más sensibles de Guatemala, ya que actores de diferentes sectores tuvieron mayor deseo de involucramiento. Al mismo tiempo, CentraRSE, United Way y FUNDESA se deben considerar como sucesores potenciales para este Proyecto.

Finalmente, al considerar una intervención futura con el enfoque de alianzas público-privadas, los entrevistados recomendaron que los socios de USAID mantuvieran su rol político y estratégico, al continuar con el Proyecto con algunas innovaciones políticas y estratégicas que surjan de esta evaluación, manteniendo la política de no enviar financiamiento al gobierno, y desarrollar "valor agregado" en socios. También sugirieron evaluar la posibilidad de transferir la estrategia y el método de

alianzas multi-sectores a uno de los tres consorcios mencionados. Estos consorcios tienen un mayor potencial para ejercer dicho rol e incorporar a otros donantes y actores de la sociedad guatemalteca; también se debe incluir un sistema de M&E para medir y divulgar el desempeño e impacto de los proyectos, definir una estrategia y asignar una persona para gestionar la relación entre sociedad civil, y los sectores público y privado.

En resumen, una gran contribución (valor agregado) del Proyecto en su segunda fase en Guatemala es la siguiente: haber sido capaz de atraer la atención y el interés del sector privado para hacer equipo en el apalancamiento de recursos para inversiones en salud y educación. Esto se debe, por un lado, a la capacidad de gestionar y presentar un portafolio con una agenda, temas, actores y áreas estratégicas que anteriormente aparecían de forma esparcida y no articulada. Esto aseguró el fortalecimiento de capacidades en las áreas de gerencia, administración y rendición de cuentas. Toda la experiencia influye en el sector privado, que está experimentando un incipiente cambio de mentalidad para moverse de un sistema basado en la filantropía, a un enfoque estratégico que garantiza un impacto mayor en temas que afectan las regiones y las poblaciones desfavorecidas del país.

Finalmente, como una contribución adicional, en este reporte el equipo evaluador presentó, para consideración de USAID, un modelo hipotético con el objetivo de fortalecer e improvisar la intervención futura de alianzas público-privadas, con la esperanza de que estas ideas provean algunos elementos que se puedan agregar a las próximas discusiones y reflexiones sobre el tema.

## Executive Summary

This report is the final evaluation of the second stage of the Multi-Sector Alliances Project (2010-2014), commonly known as *Alianzas*. The evaluation aimed to provide USAID/Guatemala with analysis of the key findings, lessons learned, and added value provided by *Alianzas*. This final evaluation also aims to provide recommendations for the implementation of future public and private sector alliances with the suggested focus being on health and education.

This evaluation was carried out by DevTech Systems, Inc. and the *Asociación de Investigación y Estudios Sociales (ASIES)*. DevTech and ASIES fielded a team of experts with experience in the design, implementation, monitoring and evaluation of development projects in the region. The team also has experience building partnerships with the public and private sectors, especially in the area of corporate social responsibility (CSR), with emphasis on the areas of health and education.

The evaluation strategy was comprised of four phases: a) Phase 1: Establishment of the evaluation project, in which the objectives and expected results of the evaluation were reviewed and clarified; b) Phase 2: Starter Phase: *Defining the strategic vision of the program, intervention components, allied organizations, as well as the analysis of the basic documentation of the program*; c) Phase 3: Data Collection Phase (field study); and d) Phase 4: Analysis of findings, interpretation of results and presentation of the final report.

Given that the purpose of the evaluation is to focus on measuring the effectiveness of the Project's intervention methods in its second phase (2010-2014), the methodological approach was aimed at detecting the point of view as to the relevance, consistency, successes, obstacles and challenges from a group of stakeholders and key partners, as well as recommendations for the sustainability of future experiences under this system.

In its conceptual and strategic definition, the Project posed the objective of generating financial resources, in cash and in kind, with the main innovative feature of "financial leverage", with the understanding that for every dollar contributed by USAID, the investor partner should contribute a minimum of two dollars (2:1) to social programs in the target communities. Therefore, alliances would be formed with a wide range of partners from the private sector, which could be for profit and nonprofit organizations of any size, whether large, medium or small.

The evaluation team identified three types of partnerships with the corporate and business sector: a) non-implementing financial investors (for profit), b) implementing financial partners (non-profit) and c) non-financial implementing partners (nonprofit), all belonging to the private sector as businesses, non-profit organizations, or for-profit corporations. There was also another group of partners who represented the civil society implementers

Additionally, the Project's strategy included the creation and strengthening of a Private Sector Advisory Group (PSAG), in order to support, advise and communicate the concerns, interests and priorities of the private sector, as well as help build important alliances with major companies.

The evaluation was conducted from September 21 through November 21, 2014, through the application of 15 interviews with investing implementing partners, three interviews with corporate consortia, and three focus groups: one with Project managers, one with members of the Private Sector Advisory Group and one with technical staff of the FUNCAFÉ health program in the departments of Huehuetenango and El Quiché.

To achieve this objective, the evaluation team was asked to focus on the following five criteria: 1) The extent to which the *Alianzas* Alliance models meet with USAID Principles and Definition of Alliance Building (Modification 15); 2) Added value in terms of successful experiences and significant changes; 3) Obstacles and challenges; 4) Sustainability of interventions; and 5) Observations of project partners to help improve the strategy given a future similar experience.

A summary of findings and recommendations based on the five basic criteria of evaluation evidence the following:

With regard to the *relevance* and *consistency* of the Project, most of the stakeholders consulted agreed in recognizing that despite the weaknesses of project implementation, the intervention was consistent and relevant with respect to the original concept and principles of the Project. At the same time, all recognize RTI as a facilitating and articulate institution that inspired trust and confidence on behalf of private sector partners, who were always willing to assume risks and benefits, especially since they are accustomed to risk taking in their business activities.

Although the change of rules in relation to the area of intervention was not initially accepted, none of the project partners withdrew. In the same way, some felt that the project intervention strategy did not consider the business interests of the private sector.

Most corporate partners showed there was not much interest to participate in specific topics such as HIV/AIDS and Sexual and Reproductive Health (SRH), in some cases due to cultural factors or lack of knowledge or experience in handling these topics.

Regarding relations with current governments, most of the stakeholders consulted stated that these were developed according to the level of confidence of the private sector with government officials and especially the health and education portfolios.

Addressing the relevance and consistency of the Project, those consulted believe that in a future similar experience, the component related to the strategic vision and sustainability of interventions should be subject to a political agreement between donors, key stakeholders, society, and government.

Similarly, the Project should continue to promote and strengthen Corporate Social Responsibility (CSR), ensuring that the private sector goes beyond the area of influence (employees and geographical area of direct intervention) to invest in issues on the national level in other priority areas and outside its area of influence and business interests.

Furthermore, it is suggested that the entity that fills the role of RTI in the future becomes a facilitator and integrator of priorities and priority interventions in health and education (targeted strategy), to allow the private sector to invest in health and education in ways that align with their particular interests. To accomplish this, a sufficiently representative governance structure is necessary that incorporates the political/strategic levels, actors of high national influence, and advisory committees to support implementation.

With regard to *best practices and significant changes*, all stakeholders consulted recognized the high value on the principle of leverage (2:1), although some would have liked this to be reduced to 1:1. The technical support received is also recognized, especially in the areas of management and accountability, the possibility of having a common agenda (thematic and priority areas), and the slight achievements in the transition from a strictly philanthropic approach to more strategic approach to the problems identified. With these and other elements, those interviewed agree to assign a high value to the idea of public-private partnerships, especially with regard to nationwide priority issues (common agenda), but aligned to public policy.

As for the factors of *obstacles and challenges*, most referred to the contents of Modification 15, especially with regard to the change in geographical area, the reduction of the budget and in the case of NGOs the obligation to become a corporate partner. As indicated in the document, this is because they prefer to intervene in their area of influence and business interests. The goal of a 2:1 leverage ratio presented a challenge throughout the project period.

At the same time, those interviewed still point to the excessive bureaucracy (procedures and controls), but also recognize it as a great added value to their institutions. In this component, cultural factors are again noted as a challenge for the implementation of programs on issues such as sexual and reproductive health and HIV.

Other challenges mentioned refer to the lack of coordination between USAID programs, lack of contact between implementing partners with businesses, RTI staff turnover, and little specialized technical support received in the areas of health and education, as well as poor communication, information and disclosure of the nature, objectives, strategies and successes of the project.

Given these obstacles and challenges, most stakeholders recommend that the partner status be respected, to review and make more flexible instruments and processes, ensure compliance with agreed upon timelines and a staff of specialists to support in priority areas to be defined. All this, coupled with an efficient communication, advocacy and outreach strategy, as well as strengthening the political-strategic level with the participation of other

donors, civil society, government, the Academy and Thought Centers to improve vision and orientation interventions.

With respect to *sustainability*, most stakeholders consulted noted, and highly appreciated, having had a reliable facilitating agency with local staff. Furthermore, success was found responding to the most sensitive social needs of Guatemala, as actors from various sectors were more eager to become involved. At the same time, CentraRSE, United Way and FUNDESA, should be considered as potential successors to the Project.

Finally, when considering a future intervention with the public-private partnerships approach, respondents recommended that USAID partners maintain their political and strategic role, continuing the Project with some political and strategic innovations arising from this evaluation, maintaining the policy of not delivering funding to the government, and to develop "added value" in partners. They also suggest evaluating the possibility of transferring the strategy or method of multi-sector alliances to one of three consortiums mentioned. These consortiums have greater potential to exercise that role and incorporate other donors and stakeholders in Guatemalan society, as well to include an M&E system to measure and disclose the performance and impact of projects, to define a strategy and to assign a person to manage the relationship between Civil Society, Public and Private Sectors.

In summary, a great contribution (added value) of the Project experience in its second phase in Guatemala is the following: to have been able to attract the attention and interest of the private sector to team in leveraging resources for investment in health and education. This because on one hand, the ability to manage and present a portfolio with an agenda, topics, actors and strategic areas that formerly appeared in a scattered and disjointed manner ensured the strengthening of capabilities in the areas of management, administration and accountability. All this experience influences the private sector, which is experiencing an incipient change in mindset to move from a system based on philanthropy, to a strategic approach that guarantees a greater impact on issues affecting regions and disadvantaged populations in the country.

Finally, as an additional contribution, in this report, the evaluation team presented for consideration by USAID, a hypothetical model aimed at strengthening and improving future intervention of public-private partnerships, hoping that these ideas provide some elements that can be added to the upcoming discussions and reflections on the subject.

## 1. Introduction

The United States Agency for International Development (USAID/Guatemala), contracted the services of the of DevTech Systems, Inc., together with *Asociación de Investigación y Estudios Sociales* (ASIES), to carry out the final evaluation of the second phase of the USAID/*Alianzas* Project (2010-2015), commonly known as *Alianzas*. This evaluation was carried out in order to determine the relevance and effectiveness of the Multi-Sector Alliances strategy, in terms of added value and lessons learned, to help future experiences under this type of intervention.

The evaluation was conducted from September 21 through November 21, 2014, with the participation of a team of five specialists with experience in social development programs and projects, especially in education, health and nutrition, multi-sector partnerships and monitoring and evaluation.

The investigation focused on five basic categories of analysis: 1) Relevance and consistency of the strategy implemented by the definition and principles of the USAID/*Alianzas* Project contained in the Modification No. 15, p. 6, AID-520-A-00-10-00031; 2) Best practices and significant changes, 3) Barriers and challenges, 4) Sustainability of the strategy, and 5) Recommendations to stimulate private sector interest in social investment in the country and to improve similar experiences in the future.

This paper is divided into two primary areas: the first contains introductory topics (background, methodology, and a brief description of the multi-sector alliances) and the second contains the substantial evaluation results: analysis of findings, as well as the related observations and recommendations.

The Work Plan, evaluation instruments and bibliography are presented in the annexes.

The evaluation team gratefully acknowledges the support received from the program staff of the USAID Mission in Guatemala, as well as the staff of the Research Triangle Institute (RTI). In addition, the team recognizes the willingness of the various partner organizations, implementing agencies and key stakeholders in the public, private and NGO sectors to share their experiences, through which it was possible to obtain valuable inputs related to the objectives of the evaluation.

## 2. Background

The USAID Guatemala Country Development Cooperation Strategy 2012-2016, poses the following Problem Statement: *"Guatemala remains a deeply inequitable society with a culture of impunity and a weak government that is unable to address increasing security threats posed by organized crime, high levels of poverty, low quality education, high malnutrition, and mortality for preventable causes. This affects the majority of Guatemalans, especially rural populations, indigenous peoples, women and youth."*<sup>1</sup>

The USAID/*Alianzas* Project (herein referred to as the Project) supported by USAID was conducted in the country in two phases: 2005-2009 and 2010-2014, and was implemented by Research Triangle Institute (RTI), the entity responsible for the management and negotiation of alliances and ensuring that resources for health and education activities reached the final beneficiaries.

As defined in one of the program contractual instruments, *"an alliance is a partnership between private sector for profit and nonprofit organizations and RTI as the USAID implementing partner for the Project in Guatemala, generating resources, in cash and kind with a common purpose for the good of society."*<sup>2</sup> It was anticipated that the funds would be used for access and use of sustainable health and nutrition services; the adoption and expansion of better health practices; access to better quality education; improvement of reading skills and increased access to quality educational programs.

The first stage included 105 partners of *Alianzas*, and the second, which ended in late September 2014, 64 partners, for a total of 169 alliances in both stages.<sup>3</sup> In the first stage, the Project implemented \$6.9 million provided by USAID and \$19.5 million from corporate funds, for a total of \$25 million USD.

In the second stage (the subject of this evaluation) the Project was posed to support the USAID Development Objectives, specifically DO 2: *Improved Levels of Economic Growth and Social Development in the Western Highlands*, which promotes a more equitable society in the areas of education, health and nutrition.

In the second stage (2010-2014), the Project managed a total of \$39.1 million. The Project began with \$23 million but leveraged addition funds to total \$39.1 million. The resources provided in this second stage came mainly from the business sector rather than USAID. As a strategic shift reflected in Amendment 15, the Project decided to focus interventions in five departments of the Western Highlands of the country. Furthermore, budget cuts of US\$8 million were made, as well as a provision that each alliance have a corporate partner.

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<sup>1</sup> Modification 15, (C.A. AID-520-A-00-10-00031), Background, Problem Analysis, Page. 16.

<sup>2</sup> See MOU of the Multi-Sector Alliances Project, Guatemala.

<sup>3</sup> Data provided by Tere Ligorria in interview conducted September 23, 2014.

Taking into account the country's priorities, in this stage, it was anticipated that the Project funds would be used for access to and use of sustainable health, nutrition, and sexual and reproductive health (HIV/AIDS) services; the adoption and expansion of better health practices; access to better quality education; improved reading skills and increased access to quality education programs, focusing on five departments in the Western Highlands of Guatemala (Quetzaltenango, San Marcos, Huehuetenango, Totonicapán y El Quiché).

As a reference, in the background information<sup>4</sup> of Modification 15 it is recorded that nationally in Guatemala, in early 2010, approximately 51% of the 14 million people were living in poverty and 15% in extreme poverty.

National health statistics for the years 2008-09 present a total fertility rate of 3.6; 51% of births attended by medical staff; infant mortality rate of 34 per 1,000 live births; prevalence of contraceptive use equivalent to 54%; 71% vaccination coverage for children 12 to 23 months of age; and the national average of 49.8% of children under five with chronic malnutrition.<sup>5</sup>

In education, in early 2010 a net enrollment rate in primary school of 92% was reported, whereas in the pre-primary level the coverage was 51%, secondary education (basic cycle) 34%, and upper secondary education only 22%.

In that same year, Guatemala recorded the lowest rate of completion of education in Central America. For every one hundred school aged children, 98 entered the first grade, of which 69 concluded the sixth grade and only 18 completed upper secondary education. This situation was most alarming when reviewing the indicators in the case of indigenous population, particularly girls in rural areas.

The Multi-Sector Alliances Agreement between USAID and RTI for the 2010-2014 period had the expectation that Research Triangle Institute (RTI) build partnerships that: 1) maximized the impact of health and education programs; 2) aligned with USAID and the Government of Guatemala (GOG) Objectives; 3) offered added value; 4) ensured sustainability; and 5) promoted innovation.

The purpose of the present evaluation is based on this mandate, and the results in terms of lessons learned and recommendations are presented in this document.

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<sup>4</sup> See above in Section 2. Background

<sup>5</sup> Source: National Survey on Maternal and Child Health, 2008-2009 (ENSMI).

### 3. Methodology of the Evaluation

The Terms of Reference (ToR) state the purpose of the evaluation is: *"to provide USAID/Guatemala with an analysis of the lessons learned and recommendations for future implementation of alliances between the public and private sectors, focusing on health and education."*<sup>6</sup>

To achieve this purpose, it was determined that a final evaluation of the Project for 2010-2014 be performed, aimed at determining the main lessons learned in terms of "value added" to the Multi-Sector Alliances model. The task involved the creation of a team of experts with experience in the design, implementation, monitoring and evaluation of development projects in the region, as well as building partnerships with public and private sector, especially in the area of corporate social responsibility (CSR), with emphasis on the areas of health and education.

To perform this task, a methodological strategy articulated in following four phases was designed:<sup>7</sup>

**Phase 1 - Development of the Evaluation:** In this phase, the objectives and expected results of the evaluation were reviewed and clarified, informants were identified and defined by levels (involved in the experience), key concepts (principles, best practices, significant changes and sustainability) and relevant questions were defined. At the same time, the approach strategy, tools, and timeline and logistics for implementation were determined.

**Phase 2 - Starter Phase:** In this phase, interviews and preliminary meetings were held with management and technical staff of both RTI and USAID. In this stage, information was developed including *the strategic vision of the Project, intervention components, affiliated organizations, and analysis of the basic documentation of the program.*

At the same time, the necessary knowledge was generated to develop an analytical matrix<sup>8</sup> that would guide the course of the evaluation, including the key issues and pertinent questions, as well as expectations and expected results of the evaluation.

**Phase 3 – Data Collection Phase (Field study):** Following the approval of the Work Plan and the evaluation strategy, the evaluation team proceeded to set the agenda for the fieldwork, and the application of qualitative research instruments (interviews and focus groups) for the collection of basic information. In order to find the information most relevant to the evaluation objectives, in this phase, the instruments were edited according to characteristics of the types of actors involved in implementing the Project.

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<sup>6</sup> Statement of Work, I. Purpose of the Evaluation, USAID, Guatemala, September 2014.

<sup>7</sup> See annexes, details on Work Plan and evaluation instruments.

<sup>8</sup> See above reference, p. 2

As part of the field activities, several interviews were held including: two interviews with executives of both USAID and RTI, eight interviews with implementing partners, one interview with the Public Sector (Minister of Education), three interviews with cooperating partners, three interviews with managers of enterprise consortia (CentraRSE, FUNDESA and United Fund of Guatemala) and three focus groups (one with RTI staff, one with technical staff of FUNCAFÉ in Huehuetango and El Quiché and one with members of the Private Sector Advisory Group (PSAG)). These permitted the evaluation team to document the participants' views on the effectiveness of the strategy and receive suggestions for improvement.<sup>9</sup>

**Phase 4 – Analysis of Findings and Interpretation of Results:** During this phase the evaluation team analyzed and evaluated the data collected in the first three phases of the evaluation to identify areas of action for potential for improvement and synergies of the Alliances Model and relevant recommendations were formed.

Prior to the submission of this report, preliminary findings were presented first with management of both DevTech and ASIÉS, and later with USAID. Both activities were performed in order to incorporate responses and suggestions into this final evaluation report.

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<sup>9</sup> Ver Plan de trabajo e instrumentos de evaluación presentados inicialmente a Monitoreo y Evaluación USAID.

#### 4. Description of USAID/*Alianzas* Project

In order to contribute to the reduction of Guatemala's social indicators in the areas of health and education and to achieving Development Objective No. 2: "*Improved Levels of Economic Growth and Social Development in the Western Highlands*," which promotes a more equitable society in the areas of education, health and nutrition, USAID renewed the contract with RTI to give continuity to the integrative and facilitative entity called "Multi-Sector Alliances Project." The renewed contract built upon the initial period (2011 -2014) and continued with the objective to negotiate and manage strategic partnerships to provide basic health, nutrition and education in Guatemala through uniting all sectors of society, mainly the business or corporate sectors, to invest Guatemala's resources in the social development of the country. Additionally, the Project is responsible for maintaining current trading partners and new partners from different sectors, including all types of industrial, commercial or service companies, whether local or transnational.

In addition, the Project played a key role as an intermediary between stakeholders in social funding and coordination, mobilization, distribution and implementation of basic social development services in the target communities. These stakeholders, consisting of implementers and/or cooperating partners—private sector foundations, civil society NGOs, cooperatives, municipalities, the Ministry of Health, the Ministry of Education and others—played an important role for the successful delivery of services in communities. These efforts were led and coordinated by RTI.

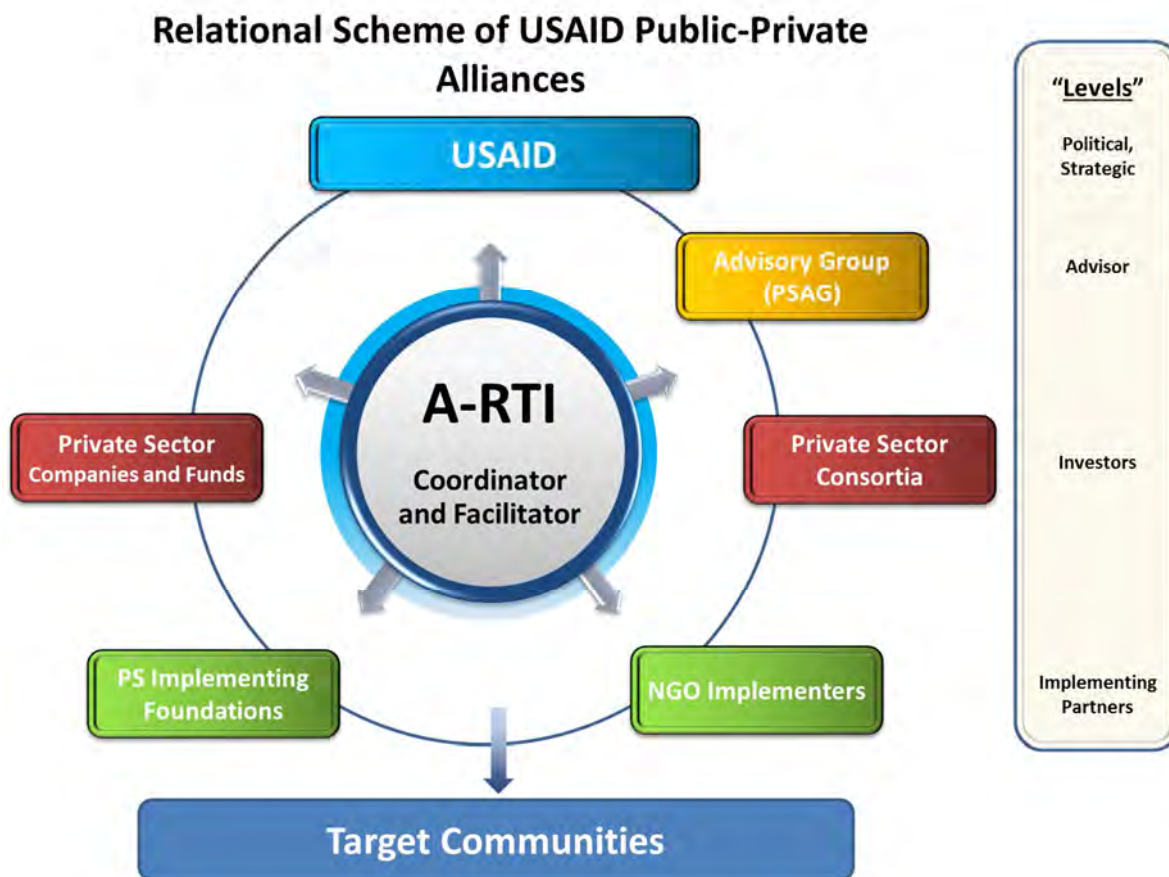
One of the Project's main objectives was to generate financial resources, in cash and in kind, with the main innovative feature being "financial leverage." For every dollar contributed by USAID, the investment partner should contribute a minimum of two dollars (2:1) to invest in social programs in the targeted communities. These targeted communities were defined both geographically and by USAID practice area, and were established in agreement between investors/implementing partners and RTI.

Alliances would be established with a wide range of partners from the private sector, which could be for profit and nonprofit organizations, as well as of any size, whether large, medium or small. In this regard, the USAID evaluation team could classify three types of partnerships under the corporate or business sector: a) non-implementing financial investors (for profit), b) implementing financial partners (non-profit) and c) market management implementing partners (non-profit), all belonging to the private sector under the cover of a business or for profit corporation. There was another group of partners who were the civil society implementers, not derived from the coverage or umbrella of a company or corporation, but rather a vision of a group of civil society individuals, faith-based organizations, individual and group foundations that join efforts for the welfare of the communities at risk.

Additionally, the strategy included the creation and strengthening of a Private Sector Advisory Group (PSAG) in order to support, advise and communicate the concerns, interests and priorities of the private sector, as well as help build important alliances with major companies.

This group would be composed of prominent business leaders, foundations, universities, philanthropic sector, government and others, as well as with well-established business and professional associations or consortia, such as CentraRSE, Entrepreneurs for Education, Guatemalan Development Foundation (FUNDESA) and others.

In this sense, the team developed an outline for the public-private partnership of USAID,<sup>10</sup> which was a product of the understanding and achievements of the partnership between all sectors to benefit the target communities at risk.



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<sup>10</sup> Outline developed by the evaluation team contracted by USAID.

The objective of this partnership, as stated above, was to generate financial and in-kind resources to invest in the Guatemalan society of greater social risk and contribute to the reduction of social indicators of human development. Therefore, the funds would be used to:

1. Access and use of sustainable health and education services
2. Adoption and expansion of best practices in health
3. Access to better quality education
4. Improving reading skills in education
5. Increase access to quality educational programs

The Project implemented by RTI had the special mandate for the development or construction of public-private partnerships, taking into account the eleven principles and definitions<sup>11</sup> that would make the alliance relevant and appropriate to the principles of USAID. For that reason, it was important that this evaluation focus on these principles to determine the success of the alliance.

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<sup>11</sup> USAID, Cooperative Agreement AID-520-A-00-10-00031 Modification No. 15, Page 6 of 35

## 5. Main Findings and Recommendations from the Various Stakeholders Interviewed

In accordance with the SOW, the purpose of the evaluation was to provide USAID/Guatemala with an analysis of the lessons learned and recommendations for future implementation of partnerships between the public and private sectors, focusing on the areas of health and education.

To achieve this objective, the evaluation team was asked to focus on the following five questions:

1. Relevance and consistency:

**To what extent are the alliances models relevant to the principles and concept of the USAID/Multi-Sector Alliances Project, as contained in the Alliance Building (AID-520-A-00-10-00031, Amendment No. 15, pg., 67)?**

2. Successful experiences and significant changes:

**What were the best practices or successful experiences during the development of the public-private partnerships to advance in the Health and Education objectives (IR-2 and IR-3)?**

- a) **Which of these alliances had a significant change in the conditions of the participants and led to a new partner in the Multi-Sector Alliance?**

3. Obstacles and challenges:

**What were the main obstacles and challenges during the development of the Multi-sector Alliances Project?**

4. Sustainability of interventions:

**How could USAID/Guatemala improve the sustainability of the model for future alliances?**

5. Observations for future similar experiences:

**What recommendations do private sector partners provide to USAID to reach new alliance partners and stimulate their interest in issues of social development in the country?**

Before presenting the main findings and the respective analysis, interpretation, and recommendations of the evaluation team, the report will present below a brief analysis that compares the situation of some indicators in the areas of health and education, related to the main Project interventions in the five departments of the Western Highlands of the country, and the status of these indicators according to recent data.

Although this assessment was not aimed at measuring impact or outcome indicators, it is worth noting that due to various public and private interventions, comparing data from 2010 (the first year of the second phase of the Project) with data from the end of 2013, obvious changes of some basic health and education indicators are observed both nationally and in the five intervention departments located in the Western Highlands.

In this sense, it is important to note that major education reforms<sup>12</sup> were made during 2010-2014 in Guatemala, among which the issue of initial teacher training stands out. For example, the level of higher education among primary school teachers increased. In addition, the in-service Teacher Training Program (PADEP) continues to be implemented by the San Carlos University of Guatemala (USAC) as well as the reading program "Let's Read Together" (In Spanish, "*Leamos Juntos*"), which seeks to improve reading comprehension. In the same way, the momentum of the scholarship program and the coordination of various initiatives for the renovation of classrooms and schools (some damaged by natural disasters) have continued.

An encouraging factor is seen when comparing performance results in reading and mathematics of students graduating from middle level education in 2010.<sup>13</sup> For example, the region's performance in mathematics in 2010 was an average of 1.5 percent proficiency in basic competency, and in 2012 rose to **2.8%**; in the same way in 2010, the average performance in reading was 11.7% and in 2012, rose to **13.7** percent. These percentages are based on the report on standardized tests from the Ministry of Education and measure the percentage of students who pass tests of basic proficiency on a national level.

In terms of national health indicators,<sup>14</sup> in the years 2008-09, the total fertility rate was 3.6, however, at the end of 2012, it stood at **3.1**; the percentage of births attended by medical personnel was 51%, and in 2012 that percentage rose to **58.7%**; the infant mortality rate per 1,000 live births was 34, but by 2013 the rate dropped to **30** infant deaths per 1,000 live births<sup>15</sup>; in the prevalence of contraceptive use, recent data was not found; vaccination coverage for children 12 to 23 months in 2009 was 71%, according to the World Bank, by 2013 it was **85%**<sup>16</sup>; and the percentage of children under 5 with chronic malnutrition had a national average of 49.8, but in the last evaluation by the *Pacto Hambre Cero*, a reduction equivalent to 1.7% was reported, which would translate into a national average of about **48.1**. This data would have to be verified in relation to the five departments of Project influence.

An analysis of the main findings related to the five basic criteria required for the evaluation is presented below.

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<sup>12</sup> Mineduc, Transparency Portal, Guatemala, 2014.

<sup>13</sup> Mineduc, National System of Education Indicators, Mineduc.gob.gt, 2014.

<sup>14</sup> INE, Statistical Characterization, Republic of Guatemala -2012, Guatemala November 2013.

<sup>15</sup> UNICEF, State of the World's Children 2013.

<sup>16</sup> World Bank, Immunization, DPT (% of children ages 12 to 23 months) Indicator Table.

## 5.1 Relevance and Consistency<sup>17</sup>

### 5.1.1 Findings and Analysis

In relation to the first question:

**To what extent are the alliances models relevant to the principles and concept of the USAID/Multi-sector Alliances Project, as contained in the Alliance Building (AID-520-A-00-10-00031, Amendment No. 15, p, 67)?**

During the evaluation process, it was established that the multi-sector alliances that were implemented in this second stage of the Project (2010-2014), despite the weaknesses found, were relevant and consistent with respect to the original concepts and principles of the Project. This is demonstrated by the fact that most partners were willing to share risks and benefits through the financial leverage. In addition, they felt that the project came to expand and empower the basis of programs that the private and social sectors were already implementing. At the same time, though not in agreement with the decision to focus interventions in the departments of the Western Highlands of the country, the partners consider that this demonstrated the intention of the Project to respond not only to health and education priorities, but also to do so with approaches in gender equality, ethnicity and multicultural values that target groups largely and historically excluded from development.

In terms of resource efficiency and transparency, it is estimated that the Project inspired a culture of trust and credibility among the various partners, particularly the corporate and social sectors. This was true especially with regard to resource management and proper accountability. As an added value, the adoption of a strict monitoring and reporting system will undoubtedly help to improve interventions and to promote the adoption of the Multi-Sector Alliances strategy with new actors in the future.

The relationship between the project and the public sector progressed as identified with the incumbent government, the private sector and other stakeholders, leading to a greater or lesser cooperation.

In conclusion, the main findings related to the relevance and consistency of the Project indicate that:

- Public-private partnerships developed, despite the above shortcomings, were relevant to the concept and principles originally proposed by the Project.
- The main purpose of the Project was not only to individually expand existing corporate programs, but rather look for other alliances to strengthen the programs, based on the objectives pursued by USAID for the intervention area.

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<sup>17</sup> Relevance and consistency is understood as when the concept, objectives and strategy of a particular program or project were consistent with the implementation and responded to the people's priorities and context of interventions.

- Although justified, most partners do not consider the decision to change the territorial area of intervention consistent with the principle of promoting the definition and joint problem solving by partners. Rather it was seen as a "change of rules" in relation to the first stage of the program.
- With regard to relations with the public sector, it was found that when the government was closely related to the approach of the Project, there was less of a challenge, but if not, this required more effort through advocacy.
- Finally, while it is true that most interventions focused on priorities in health, nutrition, sexual and reproductive health (SRH) and HIV education, some of these were very isolated, or lacked a strategic vision, with a comprehensive approach aimed at a greater impact.
- Culturally specific topics such as HIV and SRH, proved to be of little interest to some corporate partners. It is estimated that unless another strategy is defined to promote or raise awareness of SRH programs, this topic will remain of little interest to society and the private sector.

### 5.1.2 Recommendations Provided by Respondents

- a) It is considered that the concept, strategic vision and sustainability of the Project should have been the subject of a participatory political agreement between the donor, key actors in Guatemalan society, and the government. This agreement would allow stakeholders to face national priority challenges that require a coordinated approach that transcends governments and situational demands. This is an initial approach that should be taken into account in future interventions of this nature.
- b) Promote the understanding of CSR as an aspect that transcends the sphere of influence (employees and geographical area of direct intervention) of each investment partner. In this area, there is much to be done.
- c) In the future, the program should become the facilitator or integrator of the main priorities and interventions in health and education in Guatemala (targeted strategy), so that investing in the private sector interests of social development in these areas remains an option.
- d) Review the organizational structure of a new Project of this nature, to ensure that it be representative, allowing the incorporation of highly influential actors at the national level in its structure for effective implementation and strategic and operational impact.

## 5.2 Best Practices and Significant Changes

The second evaluation question was approached as follows:

- a) **What were the best practices or successful experiences during the development of the public-private partnerships to advance in the Health and Education objectives (IR-2 and IR-3)?**
- b) **Which of these alliances had a significant change in the conditions of the participants and led to a new partner in the Multi-sector Alliance?**

### 5.2.1 Findings and Analysis

The main successful alliances mentioned were as follows:

*In the area of health*, a Nutrition Alliance was formed (in this second stage, the Project was invited by FUNDESA to integrate into this alliance with voice but without vote); a Reproductive Health Alliance with the National Coffee Foundation (FUNCAFÉ); Thematic alliances such as the Maternal-Child Health Alliance, as well as alliances in the areas of water, SRH and HIV/AIDS prevention.

*In the area of education*, partly due to the good relationship and support from the current Minister of Education, partnerships were established with the Ministry of Education in the reading program "Let's Read Together," as well as in the areas of teacher training, classroom renovations, provision of scholarships, and the comprehensive reading program. With regard to FUNDAZÚCAR, the successful development of the methodology of the "Better Families" program was established and in the case of World Vision (WV), improvements were recorded using the reading comprehension methodology with technical support from PRODESSA (an alliance between PRODESSA-WV).

Despite the successful experiences mentioned, the main added value of the Project is based on the leverage or the economic contribution, which drove the projects and allowed partners to expand the coverage of their interventions. In the opinion of the majority of the partners, this is one of the best legacies of the Project, and therefore one of the main reasons why the private sector and the serious and formal implementing organizations decide to invest and jointly finance projects.

With regard to **significant changes**, most partners consulted recognized the importance of public-private partnerships. In this respect, they recognize the work of the Project to change the resistance of the private sector to work in partnership with the public sector.

Another significant change is the fact that much of corporate partners have taken a philanthropic approach to social investment with a comprehensive or strategic approach.

At the same time, some implementers replicated the leverage model with their respective partners. This is what is expected of a partnership project, that there has been a transfer of knowledge and/or practices.

As for synergistic relationships, the Project promoted contacts between implementers for projects, but not among investors.

In the same way, as stated in the topic of relevance, the Project inspired confidence, credibility and transparency in partners, this largely due to the leadership of the RTI Chief of Party (COP) as reported by partners of both the private and social sectors.

It is worth noting that none of the partners withdrew following Modification 15, despite not agreeing with the change of intervention area. This was because most programs were being implemented earlier and coverage was simply expanded in the prioritized departments. Thus, the programs were strengthened and with the completion of the Project it is likely that the programs will continue, but there will be a possible reduction of the investment in terms of staff and coverage.

The following are conclusions regarding the initial question:

- Alliances were successful because private sector projects were funded, but the offer could have been expanded if the interests and business strategies of this sector had been taken into account.
- As a strategic measure, most believe that the model to not fund the government was successful and provided trust in forming alliances.
- It is considered that the presence of USAID was a key factor that contributed to the level of trust among the Allies.
- Although most partners specifically viewed the transfer in administrative, financial and accountability skills as an added value of the Project, most report that they did not receive technical support on health and education.
- As for the transition from philanthropy to the concept of social development, it is important to note that this process is just beginning. This is evident when one observes that some companies' contributions to social investment programs continue to be guided by social marketing strategies, whose non-explicitly objectives are business-related and not based on community or social development.
- While it is true that leverage allowed for the expansion and improvement of knowledge and supervision of ongoing projects, it is considered that this should have been a standard in project implementation as well as measuring the impact to create accountability. At this stage of the Project, this was possible because financial leverage by USAID allowed investment in these areas.
- The Project model was intended to transfer best practices, knowledge and attitudes to all partners. Therefore, establishing a network of potential investors from the private sector and NGO implementers should have been the main legacy of the Project.

## 5.2.2 Recommendations

- a) In the future, the strengthening of public/private partnerships should continue with the understanding that in the areas of health and education, the government is the rector of public policy, which involves reinforcing a policy in these areas.
- b) It is important to make a greater effort as a Project strategy, to promote and strengthen the change in attitude of the private sector, often based on a philanthropic approach, to move toward a strategic investment approach for integrated social development. This would logically imply that companies look for the facilitator to guide them on how to work with this approach.
- c) One of the strengths of the Project was the shaping of partnerships in the areas of health and education, as was done with measles and natural disasters, it is recommended to draw upon this experience for national priority issues, aligned with public policies to generate empathy among potential investment partners.

## 5.3 Obstacles and Challenges

The following is the third question posed by the present evaluation:

**What were the main obstacles and challenges during the development of the Multi-sector Alliances Project?**

### 5.3.1 Findings and Analysis

As a first finding, it is noteworthy that none of the informants mentioned the word “failure” to refer to the Project.

For ease of understanding, the challenges have been organized into three perspectives: a) from the management or administration perspective; b) from the technical and/or implementation capacity perspective; and c) from the dissemination and promotional perspective.

#### **a) From the management and/or administration perspective:**

It is considered that the decision to target interventions in five departments of the Western Highlands of the country, to decrease Project funds and the requirement to work with a corporate partner in each project (Addendum 15), was imposed without notice and negotiation with partners.

The major issue of this unilateral decision was two-pronged: the first is related to the interests of the private sector to invest in their areas of influence, as suggested by the precepts of CSR

and business strategies; the second, failure to have been consulted to make this decision together as partners, as indicated by the agreement. As a result of this decision, the incorporation of more and new corporate partners directly affected the alliance. However, at present, none of the partners of the program withdrew due to Addendum 15. In fact, some companies interviewed that did not participate in the project or had limited participation, indicated that this was because their companies have specific mandates to work in areas related to their line of business, on topics such as: environment, education, finances, agricultural projects and others.

Another obstacle refers to the excessive bureaucracy of USAID. This obstacle was mentioned by all partners, whether corporate or implementers, which caused setbacks in the implementation of programs, in the formulation and approval of projects, disbursements, and other efforts.

Some indicated that while this is true, at the same time it represents an area of opportunity to improve the Project, understanding that it was necessary in the interests of good project and fund management.

The relative turnover rate of the RTI office staff was a factor that affected Project performance, to some degree. The causes are unknown, but the partners indicated that when a specific contact was established to address the issues, people were no longer in their positions. This was evident with the highest incidence at the end of the project.

In the administrative area, the apparent lack of coordination between different USAID programs was mentioned. (for example, projects promoting sexual and reproductive health). Different parameters and/or policies are used and the partners are aware and demand the same conditions. This causes some partners to want to work in programs where they have better conditions.

**b) From the technical and/or implementation capacity perspective:**

The principle of "leverage" requested by USAID in the agreement represents one of the most important concepts of the alliance. It implies the principle of responsibility (where Guatemalans invest in solving the social problems of the country) for the private sector and other actors in Guatemalan society. However, it became clear that the investment rate of 2:1 represented a challenge for some companies who could not give this amount of investment. This policy marginalized many small businesses that would have wanted to participate in the program, but did not have the ability to make an investment under these terms. Additionally, when added to the fact that they were investing in geographic areas that are not of strategic interest, it limited the funds available to the alliance. Although the final result of having raised about 1.8:1 (the objective was almost achieved), the Project office and the partners believe that a more flexible policy regarding business, financial, and strategic skills would have resulted in the achievement of the goal and further increase the participation of new companies.

It is important to note that most of the corporate or business interests of the country are scattered in different geographical areas of Guatemala. Therefore, limiting the focus to one area reduced the opportunity to make alliances with all sectors. Again, the need to consider the concepts and precepts of CSR is emphasized, which suggest that a company should focus inward first and then branch out to his immediate circle of influence.

The possibility to promote projects related to SRH and HIV/AIDS was seen as another challenge within the Project interventions in this second phase (2010-2014). Although some organizations and sectors showed interest, it seems that these programs are still of little interest to the majority of the Guatemalan society in general and the private sector due to lack of awareness of their importance to social development in the country. Private companies that have invested in this issue have been those who have suffered the consequences of not being knowledgeable on this subject in their own management (operational and field employees). The Project office indicated that SRH had no greater acceptance in relation to other programs, and therefore will always represent a challenge.

Most implementing partners said they received little support on technical issues and it is believed that USAID has enormous potential in these areas. The evaluation team believes that this occurred because, in most cases, NGOs or implementing partners were specialists in the field of social action, but in other cases, an important contribution could have been made, such as in the field of fundraising.

**c) From the dissemination and promotion perspective:**

The RTI office considers that promotion and dissemination is a major challenge that must be considered in future multi-sector alliances experiences. This is confirmed by the fact that both corporate partners and implementing partners, as well as some agencies interviewed that did not participate, indicated that they had no prior knowledge of the Project. It was noted that prior knowledge of what they do and the results they seek, would have allowed them to partner in advance, or on the other hand, other companies might have joined.

Another major challenge identified by the implementing partners was not having meetings, relationships or contacts with partners in the private sector, which would have given them the opportunity to access a directory of potential companies that could finance their programs or projects. Suggestions were made to create and organize an extensive network among implementing partners and corporate partners. Implementing partners believe that this could have been one of the main legacies that A-RTI could have left.

In conclusion, the main challenges encountered refer to:

- The change of intervention area (Addendum 15)
- Little technical support in areas of health and education
- Excessive bureaucracy of USAID
- RTI staff turnover
- Apparent lack of coordination between USAID projects

- Weak communication, promotion and dissemination strategy of the Project

### 5.3.2 Recommendations

- a) In order to strengthen relationships of trust and certainty among partners faced with a new program of this nature, it is recommended that the conditions established in the signed agreements be respected. This means that both parties (USAID and partners) have a say in decisions, and therefore changes should not be incorporated that are not consulted and previously negotiated.

On the issue of excessive bureaucracy, it is suggested that USAID review and make tools and processes more flexible as well as comply with established timelines. This will require an effort by USAID and the facilitating organization, a constant training and information sharing, especially when changes in rules and regulations arise such as technical or financial reports. If this proposal is not considered feasible, it is recommended that the agreed timelines are met, although they may be considered drawn out.

- b) In terms of technical capacity, the Project was perceived by the alliance partners as a program of financial leverage, rather than as an integral partner that complements other interventions, especially at the technical and strategic level. In this sense, the evaluation team considers it necessary that the facilitator of a new program have a staff of technical specialists in the areas of health and education as well as management, marketing, fundraising, public relations, advocacy, and others, so that the alliance ensures greater impact.
- c) From the communication, dissemination and promotion perspective it is recommended that a strategy to disseminate, communicate, and even in some cases, create awareness among all stakeholders be developed on the various issues concerning the alliance. For example, strategic political vision, goals and challenges of the Project, relation with the government, results, progress and setbacks, lessons learned, awareness of critical issues (sexual and reproductive health, HIV/AIDS, malnutrition, etc.), so as to achieve further positioning of the Project and its scope.
- d) One of the revealing findings of the Project is that while it is true that the Private Sector Advisory Group (PSAG) was formed in line with the agreement established with USAID, it was determined that this group met only twice a year. The evaluation team considers this situation a weakness in the sense that responsibilities and objectives assigned to that group would not be able to be met.

If the decision is made to continue with a group such as this, it is recommended to perform an analysis to harness the potential of the group, and not just focus on meeting frequency.

## 5.4 Sustainability

The issue of sustainability was addressed through the following question:

**How could USAID/Guatemala improve the sustainability of the model for future alliances?**

### 5.4.1 Findings and Analysis

All partners interviewed agreed on the need to maintain and continue a public-private partnership project with USAID support. This requires a coordinator and facilitator to promote the Project of public-private partnerships for the benefit of disadvantaged communities in the country, but primarily for the purpose of achieving coordinated efforts of all sectors toward a common goal.

However, partners indicate that it is important to do some program innovations to create new elements in policies, practices, and management of this coordinating body to make results more effective and noticeable.

Several partners, both corporate and implementers, recognized that the Project had major success in interventions related to the national interest, topics that are sensitive to the problems of Guatemala and have drawn attention for being socially relevant such as: measles vaccination campaign, rebuilding of schools in the wake of Hurricane Stan, the distribution of books in the country's schools, and others.

These projects were a sample of the power that Project had to pool efforts and resources, regardless of the particular interests of the partners. It is believed that these projects were successful because all command national interest and are in the conscience of society. It is widely recognized that they are sensitive and important for social and economic development issues. Therefore, several corporate partners, regardless of their geographic area of interest, invested resources in these projects.

For some corporate partners, national and priority issues are regularly long-term solutions, so this factor from the strategic point of view can create a link and commitment from all sectors of the country.

According to corporate partners, another important factor of sustainability to take into account is that all programs of a public-private partnership should include indicator measurements and data based on the problems to be addressed, and therefore define products, intermediate results and impact indicators. The private sector is a true expert and practitioner in measuring and setting goals to ensure the return of their investments and their profitability, so it is important that social programs are also evaluating those objectives.

In conclusion, the following are the key findings related to sustainability:

- Projects that have ensured sustainability were related to major issues of national importance that transcend governments, such as famine, malnutrition, measles, natural disasters (earthquakes and storms), rebuilding schools, issues from which partnerships arose and continue to date depending on national partners and some donors.
- The change in the geographic area in a future project of this nature does not guarantee the possibility of sustainability if (a) it does not take into account the interests of the various sectors involved, (b) it is not the result of an extensive national intersectoral agreement, or (c) it does not have a structure of representative governance. This is especially true if it were the Western Highlands of the country, or other less-favored regions for economic and social development.

#### 5.4.2 Recommendations

- a) Based on the results obtained from the participation of the private sector in partnership with social and community organizations, the evaluation team finds, confirms and recommends the continuation of a program in the form of multi-sector alliances, taking into account certain modifications or innovations to the implemented model, for which a proposal is presented in the next chapter in the section on general recommendations (**See section 6.3: Hypothetical model for a new Multi-Sector Alliances experience**).

Some of these key factors are:

- The importance that all staff of facilitator and coordinating bodies, as well as the office of the USAID mission, be Guatemalans;
- Continue the policy to not transfer funds to the government to implement the Project interventions.
- The only institutions that currently could assume the role of promoter and facilitator of a future Multi-sector Alliances Project (once certified by USAID) are: CentraRSE, United Way of Guatemala and FUNDESA, this because they have credibility and are operated by the private sector.
- However, most also recognize that not all exhibit the profile required to develop this role, as they have visions and missions somewhat different from that of the *Alianzas* Project just completed. It is therefore very important to consider two key factors: a) transfer all the knowledge and best technical, administrative and supervision practices (institutional strengthening), thus ensuring the smooth implementation of projects and funding; b) continue the political and strategic role of the USAID mission, which in addition to continue leveraging funds (which allows developing projects at larger scales), would ensure the continuity of transparency, credibility and trust generated by the *Alianzas* Project. Moreover, such institutions should be the first to model the "partnership" concept since they implement similar components, but have struggled

to unify efforts for the welfare of the country. It is understood that the three organizations have different missions, but the similar components should work in partnership to complement and strengthen the results.

- USAID should invite and include in a future project of this nature, other international agencies, which like Guatemalan society, are divided and scattered with regard to social works.
  - Adopt the principle of "Added Value" for all past and future project institutions, to strengthen them especially on issues of project development, fundraising, monitoring and evaluation and accountability to donors. These issues are fundamental to the future sustainability of not only the program, but of the very institutions that worked with the Multi-sector Alliances Project (2010-2014).
- b) For future multi-sector alliance projects, it is important to include a monitoring and evaluation system at both management and impact levels as well as to disclose information to partners and society in general.
- c) With regard to relations between the Project and the government, a key consideration for the future is the definition of a strategy and allocation of a person within the organizational structure of the program to lead and build better relationships of trust and strategic coordination with the public sector (an experienced political operator).
- d) In many of the departments and municipalities in Guatemala, villages are organized so that any technical or financial assistance to benefit their community be with their participation. Municipal associations (with legal status) have an infrastructure with representatives of the most important entities in the area, such as COCODE, Elders Committees, Mayor's Assistants, Indigenous Mayors, Municipal Mayors and in some cases, representatives of the Departmental Government.

With the above scheme, many of the social investment projects from multi-sector partnerships may ensure greater long-term effectiveness and self-sustainability, through technical and cultural relevance and local governance. This can be achieved through direct controls of implementers, investors, and technical specialists in the field of social investment to promote and train representatives of the municipal associations who in turn train others creating a waterfall effect where expertise is shared and developed.

## 5.5 USAID Partner Recommendations

The following are main recommendations presented by key stakeholders that were discussed during the interviews and focus groups:

- a) Promote and organize a permanent link between the private sector and USAID
- b) Expand the group of organizations certified to receive funding from USAID
- c) Provide more flexible policies to link more corporate partners, such as broadening the geographical coverage and reduce leverage to 1:1
- d) Focus on the five important issues most relevant to the nation and call the Guatemalan society to engage with the concept of public/private partnerships
- e) Focus on further involving local partners because transnational companies do not know the context, change regularly, and experience a high turnover of personnel
- f) Broadly disseminate and promote the multi-sector alliances model, for which it is recommended to have a person in charge of institutional relations, which simultaneously promotes communication between implementers and corporate partners.
- g) Focus on the most pressing needs of the country, and foster partnerships in all sectors and at the same time have a small fund for specific projects of companies in the areas of education and health
- h) The importance of having a strategic plan with indicators to monitor the greatest needs of the country

## 6. Evaluation Team Findings and Recommendations

### 6.1 Findings

In reviewing the objectives and principles of the Project and comparing them with what occurred during the second stage, it is perceived that rather than starting with a strategy or impact vision, the Project turned out to be an experience of leverage to explore the interest and response from the private sector in investing resources in at-risk communities in the areas of education and health.

Even though it is not considered sustainable at present, a future program could capitalize on this experience and take into account adjustments arising thereof to develop an articulated strategy with stakeholders able to transcend the acting government.

The reports available show that the Project was consistent with the established approach and focused exclusively on reporting the main expected products and not in terms of technical and operational components (baseline, indicators and monitoring and evaluation systems), which are important to verify the achievement of results or impact on the target population of the various interventions.

Of course, this finding has its explanation in political and technical factors, considering that government-funded budgets (in this case the United States Government as a donor) have a defined period. At the same time, if the interventions carried out with these resources expect results of impact and sustainability, this cannot be achieved during the short-term as has been the case for the two stages of the Project.

In line with the above, the following are key findings of general and specific order were identified by the evaluation team.

#### 6.1.1 General Findings

The most important finding of general order with regard to the Project as a whole is the following:

- **The USAID/*Alianzas* Project was a successful experience, but to assure sustainability and continuity in the future, adjustments in the political-strategic and organizational structures are required.**

Below, recommendations are proposed to move forward in this direction.

## 6.1.2 Specific Findings

The evaluation team was able to identify through its findings, four main Project contributions, which should be taken into account for future intervention and are described below:

1. Economic leverage as a key factor in the strategy
2. A portfolio with agenda, topics, actors, and strategic areas
3. Capacity building in management, administration and accountability
4. Strengthening of CSR, social management and the methods of Multi-Sector Alliances

### 1. Economic leverage

Clearly, one of the undeniable contributions of the Project is based on the financial leverage, which in late 2014, according to the quarterly report (April 1 – June 30, 2014) recorded the achievement of the following average leverage:

Leveraged Committed	USAID Obligated Funds (Mod 22)	In Relation to Total Investment	Current Leverage Implemented	Funds Currently Implemented by USAID	In Relation to Total Implemented
1	2	3	4	5	6
US\$32,222,291	US\$20,732,974	1.55	US\$29,989,229	US\$19,150,859	1.57

On the same subject, achieving the goal of leveraging a ratio of 2:1 was undoubtedly one of the greatest challenges of the program. In fact, most partners, especially implementers, believe that the most viable option for the country is to reduce this ratio to 1:1 in the future. Despite this, there were situations that exceeded the leverage target and recorded ratios of 3:1 and up to 4:1, according to reports.

Undoubtedly, this practice should continue in the future, since it makes the stakeholders share responsibility as well as risks and benefits. Before implementing a new program with this leveraging model, it is suggested that an assessment be conducted to determine the most adequate practices in this regard.

### 2. Portfolio of priorities, common agenda and mapping of stakeholders

As noted, the Project was able to facilitate the definition of a portfolio of agenda items, actors, and strategic areas that helped convene and engage various stakeholders in society in the public-private partnerships to address national priorities, which require a mid or long-term strategic approach beyond the hypothetical. This area is partly attributed to the role served by the COP.

It is considered that few benefited from this great strength of the Project. Very few cases were seen, and those that surfaced were of high success and impact and therefore it is recommended that this issue be further exploited.

In terms of efficiency, the work done is acceptable, but the effectiveness is yet to be seen and measured in terms of outcomes and impacts. As noted above, this task is pending, but beyond carrying this out, it should be taken as a lesson learned for future interventions in Multi-Sector Alliances. From the beginning, a strategic approach involving this type of measurement should be constructed.

### **3. Strengthen management, administrative and accountability capacities**

Most partners, although having initially felt the effects of what they call excessive bureaucracy, acknowledge gaining valuable skills from the Project in management, administration, and accountability. These skills are currently very useful for a disciplined, sustainable, and transparent management of its programs and projects.

### **4. Strengthen CSR, social management and methods of Multi-Sector Alliances**

Although it is recognized that some foundations with decades of work had already begun to evolve in this area, it is also true that many private sector entities continue to pose interventions with an approach closer to philanthropy than what is known as social investment or social development. In this regard, it has been found that generally small, local companies are those which still tend toward philanthropy. An appropriate approach in this direction still requires more effort from the financing partner, the facilitator, and implementing partners.

As to the methods of Multi-Sector Alliances, all partners interviewed agree that it should hold a high value as a strategy capable of leveraging resources and influencing actors focused on priority social issues in the country.

## **6.2 Is the current format of the Project feasible for a new intervention in the Western Highlands of Guatemala?**

In consideration of a future intervention in the Western Highlands of the country, the evaluation team does not consider feasible or appropriate to implement a new project under the approach that was implemented by the *Alianzas* Project during the period 2010-2014, for the following reasons:

- a) In the Western Highlands of the country, there is no private sector sufficiently developed and organized with the required profile that can be found in the capital city or the South Coast. In these areas, there are many large companies of agro-commercial, industrial character, and services that handle a large workforce and

capital. As expressed by some, when the business does not venture in the region, they have no direct social investment interests in communities in that geographic area.

- b) Because of this, it is very difficult to find companies in the capital city or in the South Coast, expressing interest in leveraging resources to be invested in communities outside its sphere of direct influence. This because they are consistent with their approach to social responsibility indicating that they first invest in their workers and communities of influence, before thinking of transcending to an outside intervention area such as expanding to other communities across the country that require attention on priority health, education and income issues.
- c) However, in the Western Highlands of the country, productive activity operates mostly through corporate and small and medium-sized family businesses in trade and agriculture.
- d) In the national character, "individualism" prevails over a culture of solidarity and social cohesion. This represents an enormous challenge to any project focused on social investment under the model of multi-sector partnerships.
- e) Another important factor is the distrust between key sectors of the country: the private sector has reservations regarding the civil society NGOs (national and international) and at the same time, many of these NGOs distrust certain segments of the private sector. In addition, the private sector distrusts the government considering it as bureaucratic, inefficient and lacking transparency. While governments complain that the private sector is a tax evader, lacking solidarity and productive investment that generates formal jobs with decent wages.
- f) Finally, it is obvious that much of civil society NGOs have specialized in social development issues, but also lack financial sustainability, effectiveness for accountability and achievement of outcomes and impacts. However, the private sector is used to working for results, performance, productivity and profits. On the other hand, the public sector, despite its institutional weaknesses, has the capacity to regulate, has specialized civil service, and provides stewardship of public policies, but also lacks resources to expand coverage and improve the quality of services.

The strengths and weaknesses of the three sectors mentioned above, requires a multi-sectoral political and strategic effort to be able to convene, articulate and develop a social pact with sufficient political, economic and social legitimacy to develop a project based on national priorities that can transcend government and industry.

In this regard, it is reiterated that the implementation of a new project of public-private partnerships is not considered feasible with the current format for the Western Highlands of the country because it suffers from the above weaknesses.

**What options could hypothetically be considered as derived from the lessons learned from the Multi-Sector Alliances Project?**

**One option** would be to propose structural and strategic adjustments to the current Project, maintaining the concept of public-private partnership, working exclusively with corporate partners (see section 6.3)

Advantages:

- ✓ Ability to define a national agenda on priority areas in the country, and optimize resources with objectives and targets for the medium and long term
- ✓ High level of representation of the three key sectors: public, private and civil society organizations
- ✓ High capacity to influence public policy
- ✓ The "Katún 32" should be a good reference of a long-term vision to start a new intervention of public-private partnerships, as an effort that represented a broad participation, time and resources for coordination and approval.
- ✓ Possibilities of raising leverage funds from the corporate sector
- ✓ Ability to complement strengths in terms of technical expertise, achieving results of impact on selected topics and accountability to all partners involved

Disadvantages:

- ✓ Few employers are willing to get involved in a project involving the public sector of certain NGOs due to lack confidence.
- ✓ The vast majority of companies do not have awareness and knowledge of what social investment means in the country, nor do they understand that if priorities are successfully addressed, the results can be reverted positively to their own business interests.
- ✓ Most believe that social divides in the country are the responsibility of the government, which is why they contribute in taxes and therefore do not have to assume this commitment. Rather, they recommend efficiency, transparency and quality of spending. Having no experience in this field, the government is forced to seek NGOs to implement, or otherwise create their own foundations or associations which requires additional time and cost to strengthen them.

A **second option** is a multi-sectoral alliance involving not only companies, but also NGOs and the government, such as the version that was implemented in the second phase (2010-2014).

Advantages and disadvantages: (See items a-f in section 6.2)

A **third option** would be to work with NGOs properly "certified" by USAID, but in coordination with the government.

Advantages:

The main advantages of this method include the following:

- Knowledge and experience with respect to the social context of the country
- Local qualified staff
- Recognized local and national leadership
- Optimization of resources

Disadvantages:

- The first difficulty that this modality would present would be that most NGOs are nonprofits that do not generate financial returns (weak financial sustainability), but depend on a high percentage of donations and national and international grants and operate as long as these resources are available.
- The other weakness of NGOs is that in the last 15 years, Congress has been trying to regulate and control the activities of these entities so that they receive oversight by the Government Accounting Office, and also be taxed, which would take away their status as "non-profit" as they are today. This process has meant reducing the number of NGOs that in recent years have been functioning with state funds.
- In addition to the previous point, many NGOs, especially those who have worked in the area of health or as intermediaries of infrastructure, have been accused of mismanagement of funds or who have served for pathways for certain politicians use them to channel funds with obscure interests.

### **6.3 Hypothetical model for a new Multi-Sector Alliances experience**

Taking into account the main findings and recommendations of the entities consulted and key findings arising from this rapid assessment of the Project, the evaluation team presents some general recommendations for a new Multi-Sector Alliance Project, with financial support by USAID.

It is important to note that these recommendations are based primarily on analyses, viewpoints, suggestions and comments that were collected by the evaluation team during interviews and focus groups conducted with Project partner institutions, during the second stage of the program (2010-2014). They are also based on the knowledge and experience of the subject, by the members of the evaluation team.

Even given the overall finding noted in the previous chapter, in which evidence showed that the Project was a successful experience, in order to ensure sustainability and continuity in the future, adjustments need to be made to the political-strategic and organizational structure

as well as some innovations, modifications and new elements. The following propositions have been developed:

### **The purpose and principles of a new project**

1. Multi-Sector Alliances will be created with the same goals and purposes that were created by the USAID/*Alianzas* Project.
2. The new model is created to address the five key priorities of Guatemala in the areas of health and education, in order to accelerate progress of the primary indicators that are holding back human development. Upon reaching the established goals, other indicators may be identified to continue the development of the country.

It is proposed that the new model explore the main challenges that must be addressed in designing a strategy together with the Ministries of Health and Education. Considering their knowledge, especially in the areas of health and education, the evaluation team suggests a priority approach of a cross-cutting nature, which includes the incorporation of issues such as self-esteem, entrepreneurship, resilience, principles and values.

When considering a future intervention in the form of multi-sector alliances in the area of education, the current Minister of Education expressed priority issues including upgrading school infrastructure, scholarships for Initial Teacher Training and development of basic skills (mathematics and reading) in the students of the system.

3. It is recommended that the Multi-Sector Alliances Project consider the public sector policy in the social sphere, as governing bodies of social programs, so that all approved programs be implemented in a public-private partnership. This will require further influencing and raising awareness to the private sector in this still emerging mindset.
4. The new Project should take into account that the private sector understands and applies the following main principle of CSR. This indicates that businesses should be socially responsible from within and then extend to the area of influence closest to the business. Therefore, the program should provide the opportunity for them to invest in this field of action. This would allow the program to provide a percentage of economic resources to leverage in private sector programs, as long as they are within the objectives of the alliance, which is oriented to work in the areas of health, education and nutrition.

Failure to meet this condition would result in the reduction of the potential for expanding the investor base, since several companies are mandated to invest in their areas of influence. This condition would be feasible only if the company is willing to invest in priority areas as mentioned in number 2.

5. Based on the majority of recommendations made by investment partners from the private sector, it is proposed that the new Project consider having different levels of leverage for programs that are implemented. This leverage can be based, first by priority programs nationwide, and secondly, whether they are specific to the areas of interest from the private sector, and thirdly, taking into account the economic capacity of each of the companies that want to join. This stems from the important discovery found in the two previous phases of the Project, which showed that many firms could not provide the 2:1 ratio of leverage.
6. Invite the three private sector social organizations, which currently bring together various companies for social investment (CentraRSE, United Way of Guatemala and FUNDESA), to make their main programs, projects or work philosophies available for the new alliance, to expand the potential reach of the alliance.

The CentraRSE consortium is an organization designed to promote the CSR concept internationally and is considered to be a perfect ally to promote the principles required by the alliance to further influence the private sector in the area of community and to invest beyond their area of influence. It is important to note that this organization, as indicated by its current CEO, is not an organization that has been established to contribute to community social development of Guatemala, for which its Board of Directors has decided that if this opportunity is provided by USAID, they would be willing to modify their mission and vision to adapt to the approach and methods of the new Project.

United Way of Guatemala presents an innovative model that consists of inviting private sector employees to share the responsibility by investing part of their wages, on a monthly basis, in social responsibility programs focused on development in at-risk communities. This program has the characteristic that for every quetzal invested by an employee, the company or employer matches the investment, so these funds could be added as part of the leverage of a multi-sector alliance to be implemented in the future.

Considering that United Way of Guatemala meets the requirements to be an entity that has experience in the collection and administration of corporate funds and experience working with at-risk communities, and on the other hand, considering that the strategic objectives of United Way are directed at almost the same objectives raised by the Project, this institution is presented as a potential candidate to serve as a facilitator of a Multi-Sector Alliances Project, as long as it meets the requirements of USAID.

Finally, in the case of FUNDESA, during the interview conducted with the technical coordinator, it was established that this organization, like the other two above, be considered to participate in the training and certification to be recipient of USAID funds and channel them through implementing organizations. One of this organization's strengths is that it brings together a number of large and influential private sector companies, which manage an agenda of priorities promoted through nationally- and internationally-renowned initiatives, programs and events, as is the

case with ENADE, Nutrition Alliance, and others who belong to the "Let's Improve Guate" (*Mejoremos Guate*) program.

Key strategies for a future Multi-Sector Alliances project include:

- Permanently raise awareness of society on the importance of the topics chosen
- Convene and invite the whole society to become involved in this initiative, through marketing strategies, public relations and advocacy
- Influence public policy
- Fundraising at all levels
- Show impact and results on the selected topics and hold all partners involved accountable
- Create specialized technical schools on priority issues in the country, so that they become multipliers nationwide

### **The organizational structure of a new project**

Based on the purpose and principles set out above, a new project would require an organizational structure covering the conceptual model, the governance body, and the executive and operational levels.

Characteristics of this structure are presented below.

1. A new model of organizational structure is proposed, which would consist of three levels: a) the governance body that defines strategic direction, policy and program objectives, b) the executive body responsible for the implementation of the objectives and expected results, and c) the investment partners and implementers of the alliance.
2. This aims to be comprehensive, participatory and binding model by all key sectors of the country, where political and strategic decisions are agreed upon and negotiated by a governance body that is composed of different actors. Since USAID represents the actor providing the most resources and with 10 years of experience in this initiative, this agency could be defined as a partner that has an additional vote in the governance body and who defines some initial ideas on the creation of alliance objectives.
3. The members of the governance body should be multidisciplinary, belonging to various sectors of society concerned with the social development of Guatemala. The members of A-RTI who were consulted in this evaluation indicated that other international cooperation agencies as well as international community development agencies should be invited to participate in a new program to increase funds available for the primary and priority needs of Guatemala. This governance body could also be formed by members of the governing boards of the three social organizations of

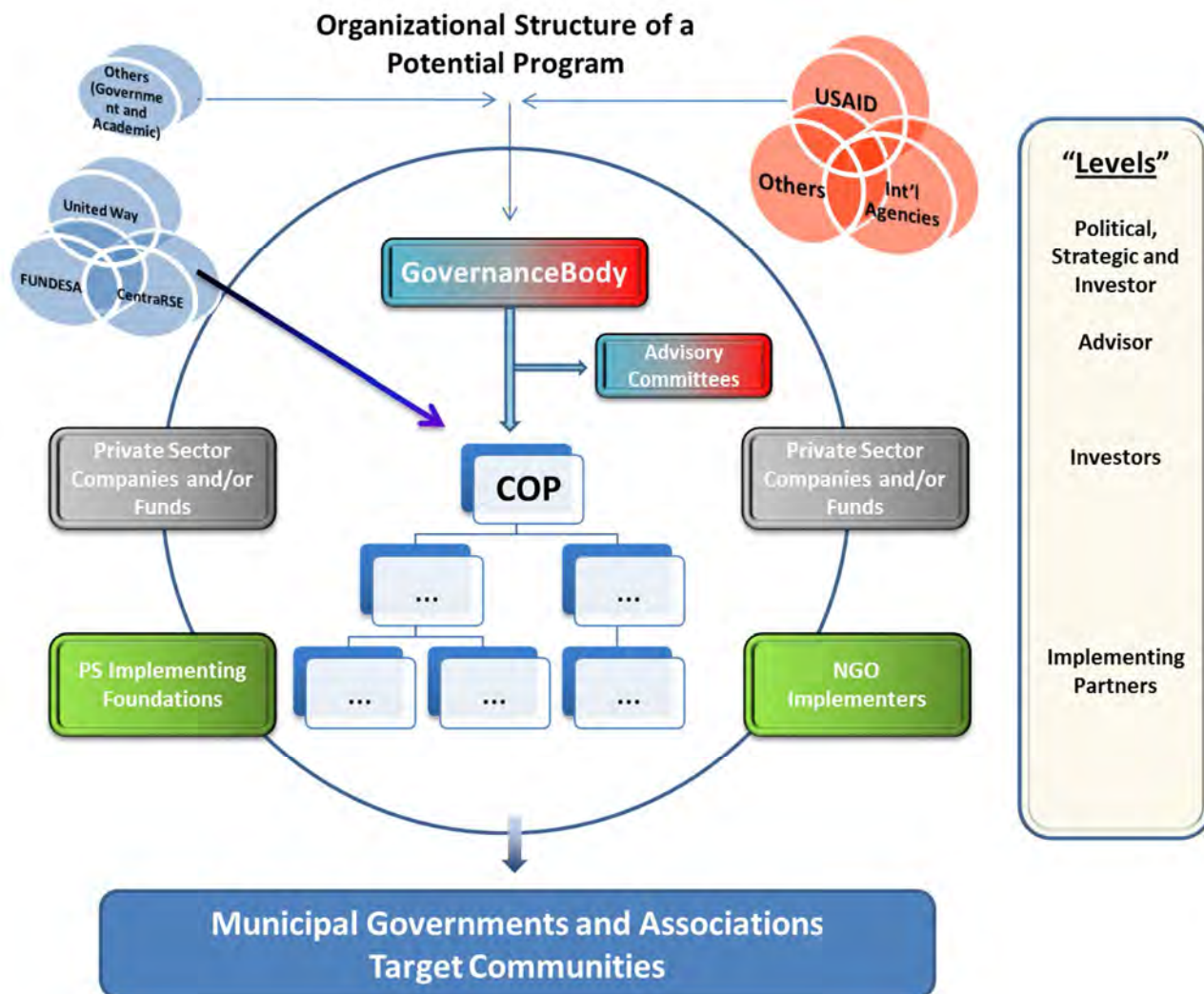
the private sector, which the evaluation team has termed social consortia (CentraRSE, United Way and FUNDESA).

4. It is also necessary to have an administrative or executive structure, which would aim to lead and implement the strategic plans of the project and could be run by one of the three private sector consortia, which have within their mission objectives (some more than others) a mandate to contribute to the social development of Guatemala. Forming this administrative structure through one of the three consortia presents an advantage in that it already exists and therefore the administrative costs of training and operation would be assumed by the organization, which presents an advantage compared with the previous model. Possibly the only costs that would need to be considered are those related to the new nature of the relationship with donors such as USAID. Additionally, these three consortia bring together more than 300 private sector companies, who would act as investors in alliance with USAID and other international donors. This is a huge advantage because work would be performed with large-scale investors rather than company by company.
5. The third level of the project's organizational structure would consist of investment partners and program implementers. These would have the role of investing in defined priority programs approved by the governance body. Investors represent private sector companies that do not belong to the list of firms related to the three consortia.

Implementing partners may be NGOs or private sector foundations prequalified by USAID or the Multi-Sector Alliance, that form part of a limited and previously certified group to run programs or projects previously authorized by the governance body. It is also possible that these NGOs or foundations be organizations that USAID already has certified to implement other programs in health and education in other agreements.

6. The formation of the "Advisory Committees" or "working groups" is also proposed, which would play a role in supporting the executive body of the Multi-Sector Alliance project in implementing the guidelines and recommendations established by the governance body, such as influencing, fundraising, government relations and others. Such support would be extended to provide guidance for addressing certain sub areas that clash with cultural, religious, political and economic contextual elements. This work could be limited to the following: Fundraising, Advocacy, Communication, Social Marketing, Community Development, and administration. The people who make up these committees could come from the private sector, government and international agencies.

The following graph allows the visualization of the organizational structure of a potential future Multi-sector Alliances project whose characteristics were described.



## 7. Glossary of Key Evaluation Concepts

- **COCODE:** Community Council on Development (In Spanish, Consejo Comunitario de Desarrollo)
- **Governance:** understood as the set of mechanisms, processes and rules through which economic, political and administrative authority is exercised in an organization, both corporate and state, or the third sector (NGO)
- **Commonwealths:** according to the Municipal Code Decree Number 12-2002 are "municipal associations with legal status, established by agreements between the councils of two or more municipalities, in accordance with the law, for the formulation of municipal public policies, plans, programs and projects, the implementation of works and the efficient delivery of services within its power."
- **Relevance and consistency:** when the concept, objectives and strategy of a particular program or project are consistent with what has been done, and respond to the priorities and context of the people and areas affected.
- **Best practices:** corresponds to those interventions that made a difference in bringing change and innovation in implementers and beneficiaries and that were adopted and replicated, or were of interest to other groups or sectors.
- **Significant change:** A result which amended certain ways of dealing with a certain challenge or problem, which guarantees a certain level of sustainability.
- **Sustainability:** When a given intervention in terms of procedures or methodologies, changes ways of thinking, doing and acting, and is institutionally appropriate with permanent and non-circumstantial character.
- **Principles of the Project:** Refers to the 11 principles posed by USAID Modification 15 to which the project should abide, both the first (2005-2009) and second phases of implementation (2010-2014).
- **Investor and implementing NGO:** foundations, associations, federations and NGOs that implemented and matched funding
- **Implementing NGO (service provider):** NGO, nonprofit foundations that only implemented or provided services without providing financial resources.
- **Corporate Consortia:** nonprofit organizations which bring together corporations or companies to promote corporate social responsibility.
- **Implementing investment companies that participated in the Project (2010-2014):** companies that invested resources in the *Alianzas* Project without directly implementing social programs and that did participate as partners.
- **\*Non implementing investment companies that did not participate in the Project (2010-2014):** Companies who had knowledge of the alliance model but did not participate.
- **Public Sector:** Ministry of Education and Public Health

## **8. Annexes (in separate document)**

**Annex A: List of Documents Consulted**

**Annex B: List of Key Informant Interviews and Focus Groups**

**Annex C: Work Plan**

**Annex D: Evaluation Tools**

**Annex E: Scope of Work**

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