

PRIVATE SECTOR ENGAGEMENT

CO-CREATION GUIDANCE



CO-CREATION AT USAID

Co-creation is any purposeful and intentional communication in which USAID and one or more partners **jointly determine** whether and how we can work together to achieve a mutually valued outcome. This shared decision-making is the most important defining characteristic of the communication and design that takes place under co-creation: what makes something co-creation is the nature and intent of the communications, not the presence of any particular process.

Given this definition, co-creation can happen in many different ways, for a multitude of reasons. It can happen virtually, over the telephone, or in person; it can happen over the course of multiple, informal discussions; it can happen through various processes; it can happen in a variety of forums; it can evolve in an organic fashion, or be more explicitly planned and scripted. Co-creation can happen with a single stakeholder or multiple stakeholders.

In addition, co-creation does NOT require an Agency solicitation. However, if a solicitation incorporates co-creation, a robust diversity of co-creation approaches is available to USAID and its potential partners. Communicating the intent to co-create with M/OAA personnel, as it relates to a solicitation, is essential.

Co-creation simply requires communication characterized by shared decision-making power that is aimed at jointly determining how the partners can most effectively work together to achieve outcomes and results that effectively advance our respective interests and objectives. Moreover, as the Agency is making greater efforts to incorporate localization into our programming, co-creation is a useful tool to meet this objective.

CO-CREATION AND PRIVATE SECTOR ENGAGEMENT

USAID's <u>Private Sector Engagement (PSE) Policy</u> requires USAID personnel to engage the private sector and co-create market-based approaches and solutions to achieve critical development challenges. Under the PSE Policy, co-creation is viewed as a standard operational approach to our work. Staff are expected to be "co-creative" and to communicate with the private sector in a manner characterized by joint decision-making.



In many instances, such communication and co-creation has not warranted the use of significantly scripted approaches, processes, and/or third-party facilitation or process designers. In addition, <u>USAID personnel are</u> free to proactively reach out to and engage the private sector and do not need to wait for events (e.g., industry days), pre-solicitation announcements (e.g., RFIs) or other solicitations or forums in order to <u>co-create with the private sector</u>.

In accordance with the PSE Policy, USAID personnel are free and expected to engage and communicate with the private sector on an ongoing, daily basis as we seek to jointly identify opportunities to co-create market-based approaches and foster market- and enterprise-led solutions to key business and development challenges. Such engagement and communication are a joint and collaborative effort to determine whether and how to work together. The collaboration is expected to be purposeful communication characterized by at least some degree of shared decision-making power.

CO-CREATION, CO-DESIGN AND CONSULTATIONS

PRIVATE SECTOR ENGAGEMENT (PSE) AT USAID



USAID personnel communicate with external partners in a variety of ways. For example, USAID personnel often engage in consultations aimed at exploring or understanding stakeholder interests and perspectives, business challenges, policy situations, development challenges, programming opportunities, and myriad other matters. In addition, USAID personnel participate in or lead an array of co-design communications. Such efforts are vital to developing and implementing effective programs. However, whether such consultations and co-design discussions would be considered co-creation depends on whether or not they are characterized by some degree of shared decision-making (mutual creativity).

CONSULTATION EXAMPLE:

A USAID Mission might consult with various industry and trade associations in advance of developing the Mission's Country Development Cooperation Strategy or designing an activity aimed at fostering food security or sustainable clean water supplies. If those efforts do not involve some degree of shared decision-making power, they would not be considered co-creation under USAID's current definition of co-creation.

Though they do not always equate to co-creation, consultations and co-design have a long history of offering substantial benefits to the quality of our work. Such approaches are essential tools as USAID seeks to successfully implement the Agency's P SE Policy. In addition, frequent consultations are extremely important elements in a co-creation effort. But co-creation requires USAID to take the extra step and partner in ways that involve some degree of joint and shared decision-making.

The element of shared decision-making is precisely why co-creation is emphasized in the PSE Policy. USAID will not be able to successfully foster market-based approaches and enterprise-led solutions to critical development challenges without robust working relationships with the private sector. An important aspect of a productive working relationship is recognition of our own limitations. Sharing some degree of decision-making power helps us cultivate relationships characterized by mutual respect and demonstrates a commitment to partnering. Additionally, it shows that we are ready to listen to our partners and act in concert, recognizes that our work requires private sector expertise, and signifies our understanding of interdependencies.

COLLABORATING, LEARNING AND ADAPTING (HELPING COLLEAGUES CO-CREATE EFFECTIVELY)

The PSE Knowledge Exchange (KNEX) is a platform through which PSE practitioners across the Agency share their experiences, pose questions, and strive to learn from one another as the Agency strengthens its capacity to co-create with the private sector. We strongly encourage readers of this guidance to use the PSE KNEX to share the various approaches you have used to co-create with the private sector. Access the <u>PSE KNEX</u> and join the conversation.

We are especially interested in learning more about how MBIOs determine whether a co-creation effort warrants a more scripted or structured co-creation process characterized by facilitated discussions and formal planning or collaboration workshops. The Professional Development and Training (PDT) team and the PSE Hub team are collaborating on the development of guidance related to this question. Your experiences, input and expertise will be vital to the substance of that guidance. Please share your ideas and experiences through the PSE Knowledge Exchange.

*Questions regarding this guidance should be sent to PDTandME@usaid.gov <u>and</u> AskPSE@usaid.gov. Please be sure to include both email addresses. Thank you.

*To learn more about PSE, take a look at the training courses: <u>PSE Training</u>.

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