

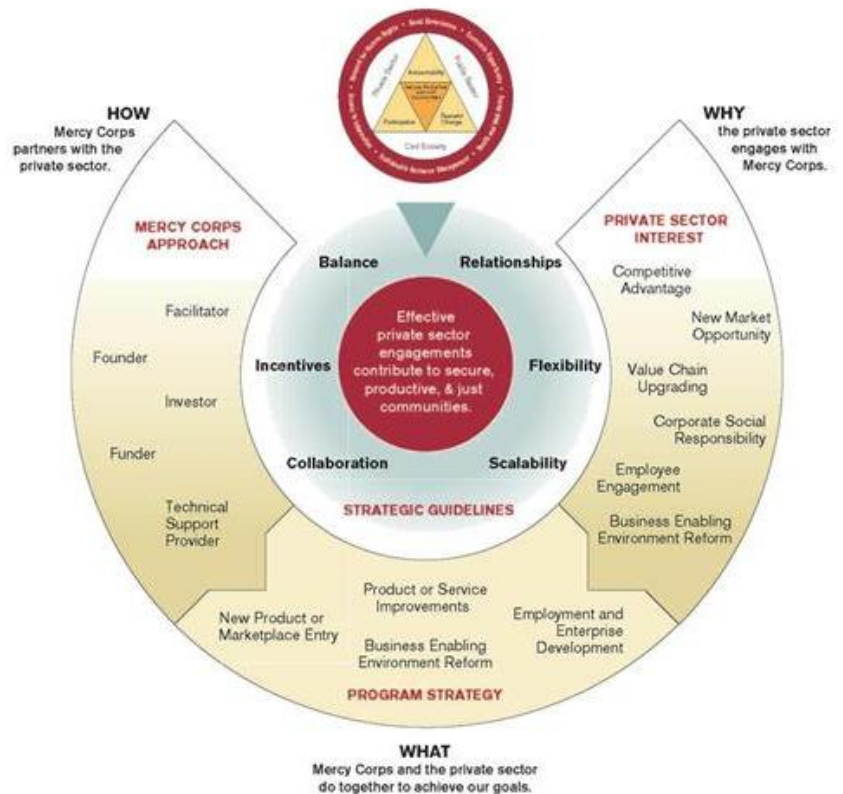
Strategic Guideline for Private Sector Engagement

Private Sector Engagement Toolkit - Tip Sheet #1:

Mercy Corps has developed *Strategic Guidelines for Private Sector Engagement*, a set of unifying concepts that explain our perspective that an active and productive engagement with the private sector is a crucial element of a sustainable solution to poverty and connect this approach with Mercy Corps' Vision for Change. The Strategic Guidelines serve as a reminder of the unique nature and challenges found in PSE programs, particularly important when one recognizes that profitability is typically the foremost goal of the private sector.

- Balance:** We recognize the need to strike a balance between the development objectives of Mercy Corps, as articulated in the Vision for Change and the annual Strategic Roadmap, the program objectives of our donors, and the commercial interests of our business partners.
- Relationships:** We recognize that personal and professional relationships play an important role in private sector engagement and the best of those relationships take thoughtful effort and extended time to develop.
- Incentives:** All partners require incentives to engage in development efforts; those incentives may differ for private sector actors.
- Flexibility:** The private sector is necessarily dynamic, which enables it to respond to market shifts and opportunities. We recognize our programming and structure requires maximum flexibility - as allowed by our project-based donor framework - to respond and evolve appropriately to that environment
- Scalability:** We recognize that scalable programs are indispensable for most private sector engagements. This requires attention to efficiency, standardization, a smart use of subsidies, and a sustainability plan that does not include Mercy Corps in a direct delivery role.
- Collaboration:** Strong, effective, collaboration between firms, the public sector, other civil society groups and Mercy Corps are fundamental to successful private sector engagements and we understand the importance of collaboration and participation to create win-win outcomes

Private Sector Engagement Strategic Framework



With an understanding of the Strategic Guidelines, we can then identify different Mercy Corps Approaches that support a PSE program, explore the Private Sector Interests and what motivates the private sector to partner with us, and examine the different Program Strategies that typically fit this approach.

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