

## **PUBLIC-PRIVATE PARTNERSHIPS**

SYLLABUS - SPRING 2015

PUAD 615-001

Mondays 8:10pm to 10:40pm

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### **Course Description**

Public-private partnerships (PPPs) and shared-value partnerships are increasingly being used as strategies to address significant public policy challenges. But, what makes a complex public policy problem ripe for a strategic multi-stakeholder solution? This course will examine how governments are partnering with for-profit and non-profit organizations, shaping public policy, redefining traditional methods of public administration, and solving some of the world's most intractable problems at the same time.

The first half of this course will examine the growing prevalence of PPPs used by federal, state and local governments to transfer risk and responsibility to the private sector in exchange for financial or other incentives. The syllabus below is broken out into the multiple contexts in which public-private partnerships have been utilized, including in transportation, infrastructure, education, and public health. Here, we'll look at whether multi-stakeholder partnerships are an effective means to relieve financial burdens on communities, when it is most appropriate for public entities to utilize private sector expertise, and when shared risk makes fiscal sense for both the private and public sectors. Discussions will also emphasize the inherent management challenges within multi-stakeholder partnerships and their impact on performance in the delivery of public services.

In the second half of the course, we will examine the myriad benefits of entering into strategic shared-value partnerships involving the public, for-profit, and non-profit sectors. These shared-value partnerships may or may not yield direct and/or immediate financial benefits for the private sector. And in some cases, the public sector may not even be involved at all. Here, we will examine topics such as environmental and agricultural sustainability, international development, the empowerment of women and girls, best practices, and measurement tools. In addition, we will investigate the context in which shared value partnerships are most likely to achieve their intended goals.

Our generations and those that will follow us inherit big challenges. The responsibility to face them head on is our example to make. My hope is that this class will compel you to uncover the ways in which you will help ready our society for an unprecedented wave of opportunity that is at times masked as uncomfortable change.

*“The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it: If it fails, admit it frankly and try another. But above all, try something. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach.”*

*Franklin D. Roosevelt, May 22, 1932*

### **Required Readings and Class Preparation/Participation**

This class will incorporate recent articles and case studies from multiple sources. Students are expected to read all articles and cases in preparation for class, and to be prepared to discuss their impressions. Class participation is key in this course. Most articles for class have been uploaded into Google Drive and can be found here: <http://bit.ly/public-private>. Harvard Business School articles have been uploaded into a “course-pack” and can be purchased here: <https://cb.hbsp.harvard.edu/cbmp/access/28221199>

### **Deeper Dive (optional readings)**

William Eggers, *The Solution Revolution*, Harvard Business Review Press, 2013

Andrew S. Winston, *The Big Pivot, Radically Practical Strategies for a Hotter, Scarcer, and More Open World*, Harvard Business Review Press, 2014

John Ruggie, *Just Business*, W. W. Norton & Company, 2013

Lawrence Chandy, Akio Hosono, Homi Kharas, and Johannes Linn, *Getting to Scale* Brookings Institution Press, 2013

Daniel Etsy and Andrew Winston, *Green to Gold*, Wiley; Revised & Updated edition, 2009

Adam Werback, *Strategy for Sustainability*, Harvard Business School Press, 2009

John Mackey, *Conscious Capitalism*, Harvard Business School Press, 2013

### **Online Resources (optional surfing)**

Harvard Business School, Institute For Strategy and Competitiveness  
<http://www.isc.hbs.edu/creating-shared-value>

Shared Value Initiative  
<https://www.sharedvalue.org>

Stanford University’s Social Innovation Review  
[www.SSIRreview.org](http://www.SSIRreview.org)

The Collective Impact Forum  
[www.collectiveimpactforum.org](http://www.collectiveimpactforum.org)

Public-Private Partnerships, Federal Highway Administration, Office of Innovation  
<http://www.fhwa.dot.gov/ipd/p3/default.aspx>

FEMA and Emergency Management  
[fema.gov/public-private-partnership-models](http://fema.gov/public-private-partnership-models)

### **Sustainability in the Classroom**

Class assignments will be submitted and graded electronically. Please only submit assignments in Microsoft Word so that I can redline/comment (do not submit PDFs please). Assignments submitted on paper will not be accepted. All required readings are available electronically.

### **Course Objectives**

The objective for this course is for students to understand the role public-private partnerships and shared-value partnerships play as a tool for policy makers. We will also examine the benefits to corporate and NGO partners (ie: exposure to new markets, revenue generation, positive public relations, sustainable supply chains; leveraging limited resources) in public-private partnerships and shared-value partnerships. This class will study recent applications and utilize practical written and oral exercises. Emphasis will be placed on the utilization of best practices.

### **Learning Objectives**

By the conclusion of the course, students will have working knowledge of a conceptual framework for the formation and management of multi-stakeholder partnerships. Students will be able to distinguish between revenue-generating PPP's and partnerships designed to achieve public policy-related goals (eg: shared-value) and to make recommendations and/or decisions based on different stakeholder priorities. Students will not only be able to identify the characteristics of successful partnership strategies, but they will deepen their knowledge of best practices for governments, NGOs and the private sector. Students should also be able to articulate successful measurement tools to increase success and accountability.

The exercises used in class (eg: Socratic method, teamwork exercises, memos, power-points, etc.) are intended to prepare students to enter (or continue within) the professional world with the ability to articulate a compelling vision – both orally and in writing, present alternative theories, collaborate in teams, balance competing demands, and appreciate the priorities of both the public and private sectors. Finally, students will critically examine case studies and form their own opinions on which public policy objectives are best served by public-private partnerships and shared value initiatives.

***This is a practical class and I use the Socratic method. Please come prepared.***

## **Grading**

### **Class Participation and Attendance (10%)**

Class participation is critical to success in this course. Participation will be assessed based on attendance, a conceptual understanding of the subject matter, the ability to articulate the risks and benefits of PPPs, class preparedness, regular completion of class assignments, and engagement in class (we will utilize the Socratic method). The corporate shared value partnership assignment will be considered a part of your class participation grade.

### **Practical Exercise One (30%)**

Students will partner in teams of two. One student will play the role of government policy maker intent on establishing a public-private partnership to help solve a public policy problem. That student will prepare a 3-5 page single-spaced persuasive memo advocating for such a partnership. The other student will draft a 3-5 page memo expressing concern about the privatization of government services and the inherent risks of a PPP. The written memos will account for 15% of your final grade. Each team member will then orally present their argument in class. The oral presentation will account for 15% of your final grade. Grading will be based on your ability to clearly and sensibly articulate a rationale for your point of view, a full explanation of the public-private partnership, and the use of best practices. Late submissions won't be accepted absent extraordinary circumstances. See general guidelines below for specific grading criteria and writing instructions.

### **Practical Exercise Two (30%)**

In this second practical exercise, student teams will collaborate on the preparation of one power point presentation (in lieu of a memo). The written power point will account for 15% of your final grade and each partner will receive the same grade. In the latter half of this exercise, only one student will be chosen to present the power point, yet both students' grades will be dependent on the single presentation. This presentation will account for 15% of your grade and each partner will receive the same grade. This second practical exercise requires teamwork and trust – both essential in any professional context. You will collaborate with your partner on both the drafting of the power point and the rehearsal of the presentation. Both team members should be equally familiar with the subject matter and equally prepared to present. The subject matter of this exercise is shared-value partnerships. Students are required to choose one corporation, examine its current shared-value partnerships, and make substantive recommendations for improvement, utilizing best practices. Grading for the power point will be based upon a recognition and explanation of the shared-value partnership, readability and organization. Grading for the oral presentation will be based on presentation skills, demonstrated knowledge of the subject matter, and an ability to answer questions from other students and the instructor. Late submissions won't be accepted absent extraordinary circumstances.

### **Final Examination (30%)**

Students will receive a take-home examination regarding two public policy problems. Students will answer one of the two questions, and may utilize any notes or books from class. Students may not do outside research or collaborate with other students. Late submissions won't be accepted absent extraordinary circumstances.

The following grading criteria shall be applied to the grading of writing assignments (Practical Exercise One and Final Examination):

**General Guidelines (10 points):**

- You typed your name on your paper;
- You saved your paper as Student \_ Topic; (eg: Kline \_ Shared-Value)
- You used page numbering (preferably at the bottom-right);
- You used Times New Roman font (or are at least one consistent font);
- You used 12-point font;
- You used 1-inch margins;
- You submitted five singled-spaced pages;
- You didn't waste space/words

**Organization and Readability (10 points):**

- Ideas and analyses are presented in a way that is easy to understand;
- Paper properly flows so that ideas and information are presented in an organized and relevant manner;
- The paper includes an introduction and conclusion
- You used headers

**Grammar, Spelling, Writing Style (10 points):**

- You have minimal grammatical/spelling errors;
- You use complete sentences;
- Your writing style is conducive to an academic or business environment;
- You are clear and concise;
- You utilized headers to break your paper into readable sections

**Substance/Content (70 points):**

- Your words introduce the reader to the topic, but your analysis is shrewd;
- Your five pages don't include multiple citations because you have expressed your own ideas based upon what you have read and learned in class;
- The topic of the paper and substance meets the requirements in the syllabus;
- Public-private partnership concepts are accurately explained;
- The paper doesn't omit any relevant or important topics;
- The paper doesn't dedicate space to unnecessary topics;
- The evidence in the paper supports the paper's conclusions

**Academic Honesty, Referencing, and Academic Writing**

My strong preference is that you express your own ideas based upon what you have read and learned in class (and in a way that does not require citation of others' work). Of course, when referencing others' work and ideas, you must properly cite them. You may not copy any information from a book, article, newspaper, website, another student's paper, your own work delivered in another context, or any other source without clearly citing this source using an appropriate referencing system (your choosing). Consult the AU Library's resources to learn about proper citation methods.

\*The reader must understand, without ambiguity, what comes from other sources, and what are your original contributions. Please familiarize yourself with AU's Academic Integrity Code, which can be found on the American University website. Students are expected to behave accordingly. If you have questions about what constitutes a violation of the University's Academic Integrity Code, please do not hesitate to contact me.

<b>Introduction to Public-Private Partnerships</b>	<b>January 12, 2015</b>
<b>Topics</b>	<p>In this first class, we will cover our mutual expectations for this course, my teaching methodologies, and a roadmap for the semester. We will also start developing working definitions of relevant terms for use over the course of the semester.</p> <p>Substantively, we will take a broad look at some significant public policy problems facing the world today. We will also begin the process of identifying, defining, and distinguishing concepts of collaborative governance, strategic philanthropy, public-private partnerships, multi-stakeholder partnerships, corporate social responsibility, sustainability, conscious capitalism, shared value partnerships, and triple bottom line. Finally, we will begin discussing the added value of leveraging innovative partnerships in solving seemingly intractable public policy problems.</p>
<b>Required Readings</b>	<p>Michael Porter and Jan Rivkin, <i>An Economy Doing Half Its Job</i>, 2014</p> <p>UNDP, <i>Human Development Report</i>, 2014</p> <p>World Economic Forum, <i>Global Risks</i>, 2014</p> <p>The World Bank, <i>Value for Money Analysis - Practices and Challenges: How Governments Choose When to Use PPPs to Deliver Public Infrastructure and Services</i>, 2013</p> <p>National Council for Public-Private Partnerships, <i>Assessing the Added Value of Public-Private Partnerships</i>, 2012</p> <p>OECD, <i>Public Governance of Public-Private Partnerships</i>, 2012</p> <p>World Bank, <i>Public-Private Partnerships Reference Guide 2.0</i>, 2014</p> <p>Bloomberg Philanthropies/Freedman Consulting, <i>The Collaborative City, How Partnerships Between Public and Private Sectors Can Achieve Common Goals</i>, 2013</p> <p>Brookings, <i>Moving Forward on Public Private Partnerships: U.S. and International Experience with PPP Units</i>, 2011</p>

<b>Transportation/ Infrastructure</b>	<b>January 26, 2015</b>
<b>Topics</b>	<p>This class will examine how public-private partnerships are being leveraged to develop, finance and manage public transportation and infrastructure projects that have traditionally been the exclusive responsibility of the public sector. We will also explore Value for Money (VfM) and other concepts related to the economic viability of such partnerships.</p> <p>Students will break out into small groups to discuss recent PPPs in transportation and infrastructure. Each group will present their impressions of the project and share best practices with the class.</p>
<b>Required Readings</b>	<p>*Rosabeth Moss Kanter and Daniel Fox, Harvard Business School, <i>Finding the Money: An Overview of Infrastructure Finance Challenges and Opportunities</i>, 2014</p> <p>Eno Center for Transportation, <i>Partnerships in Financing: Improving Transportation Infrastructure Through Public-Private Partnerships</i>, 2014</p> <p>U.S. Dept. of Transportation, <i>PPPs for Highway Infrastructure</i>, 2009</p> <p>National Conference of State Legislatures, <i>Public-Private Partnerships for Transportation, A Toolkit for Legislators</i>, 2010</p> <p>CBO, <i>Using Public-Private Partnerships to Carry out Highway Projects</i>, 2012</p>
<b>Small Group Projects</b>	<p>Indiana Toll Road, Miami Tunnel, Silver Line, Purple Line, VA Fast Lanes, And DC Soccer stadium</p>
<b>Optional Readings</b>	<p>Progressive Policy Institute, <i>How Public-Private Partnerships can Get America Moving Again</i>, 2014</p> <p>The Hamilton Project, <i>Public-Private Partnerships to Revamp U.S. Infrastructure</i>, 2011</p> <p>Young Hoo n Kwak, Ying Yi Chih, C. Williams Ibbs, <i>Comprehensive Understanding of PPPs for Infrastructure Development</i> (UC Berkley) 2009</p> <p>*Danang Parikesit and Jose Gomez-Ibanez, <i>Yogyakarta Bus Terminal: The Private Provision of Municipal Infrastructure</i> (HBS and HKS), 2013</p> <p>*Chung-Yuang Jan and Steve Kelman, <i>Taiwan's High-Speed Rail: A PPP Hits a Speed Bump</i> (HKS), 2010</p> <p>USDOT, <i>Public-Private Partner Concessions for Highway Projects: A Primer</i>, 2010</p>



<b>Education</b>	<b>February 2, 2015</b>
<b>State PPP Laws</b>	
<b>Topics</b>	<p>This class will examine public-private partnerships in education, including charter schools, for-profit education providers, and the role of the private sector in the provision of education in international development.</p> <p>See class exercise in G Drive</p>
<b>Required Readings</b>	<p>IBM, <i>STEM Pathways to College and Careers Schools: A Development Guide</i>, 2011</p> <p>*Harvard Business School Case Study, <i>IBM and the Reinvention of High School (A) and (B)</i>, 2014</p> <p>Shared Value Initiative, <i>The New Roles of Business in Global Education</i>, 2013</p> <p>Shannon Murphy, <i>Investing in Girl's Education, An Opportunity for Corporate Leadership</i>, (HKS), 2009</p>
<b>Optional Readings</b>	<p>Unicef, <i>Non-State Providers and Public-Private Partnerships in Education for the Poor</i>, 2011</p> <p>The World Bank, <i>The Role and Impact of Public-Private Partnerships in Education</i>, 2009</p> <p>UNESCO, UNICEF, UN, <i>The Smartest Investment: A Framework for Business Investment in Education</i>, 2013</p>

<b>Public Health</b>	<b>February 9, 2015</b>
<b>Topics</b>	<p>This session will examine how governments have partnered with private companies to help solve global public health problems, including the provision of vaccines and hospital management</p> <p>Please survey state PPP laws (see summary document on G Drive) and come prepared to class to discuss best practices in health and education</p>
<b>Required Readings</b>	<p>*Chu, Dessain, and Billaud, <i>The Novartis Malaria Initiative</i>, Harvard Business School, 2014</p> <p>World Economic Forum, <i>The Private Sector's Role in Public-Private Partnerships in Health</i>, 2013</p> <p>*Arthur Daemrich and Ian McKown Cornell, <i>GlaxoSmithKline in Brazil: Public-Private Vaccine Partnerships</i>, Harvard Business School, 2012</p> <p>UNAIDS, <i>HIV-Related Public-Private Partnerships and Health Systems Strengthening</i>, 2009</p> <p>Harvard School of Public Health, <i>Lesotho Hospital PPP - A model for integrated healthcare delivery</i></p> <p>IFC, <i>Breaking New Ground: Lesotho Hospital Public-Private Partnership – A Model for Health Services Delivery</i>, 2009</p> <p>Oxfam, <i>A Dangerous Diversion: Will the IFC's flagship health PPP bankrupt Lesotho's Ministry of Health?</i>, 2014</p>
<b>Case Study</b>	Novartis Malaria Initiative
<b>Optional Readings</b>	<p>Susan Rosengrant and Dutch Leonard, <i>Walmart's Response to Hurricane Katrina: Striving for a Public-Private Partnership</i> (HBS), 2008</p> <p>Kennedy School of Government, <i>Wellness is everyone's business: Public-private partnerships for Health in Minnesota</i>, 2014</p> <p>McKinsey, <i>Global Public Health, Public-Private Partnerships, Harnessing the Private Sector's Unique Ability to Enhance Social Impact</i>, 2009</p> <p>Ilavenil Ramiah and Michael Reich, <i>Building Effective Public-Private Partnerships: Experiences and lessons from the African Comprehensive HIV/AIDS Partnerships (ACHAP)</i>, 2006</p> <p>Harvard Medical School, <i>Partners in Health in Neno District, Malawi</i>, 2013</p>

<b>PPP Class Briefings</b>	<b>February 16 and 23, 2015</b>
<b>Topic</b>	<p><b>*Briefing Memo Due*</b></p> <p><b>*Ten Minute Class Briefings*</b></p>

<b>Introduction to Shared-Value Partnerships</b>	<p><b>March 2, 2015</b></p> <p>*Shared Value Panel Discussion Global Health and Education March 5, 2015 - 7:00pm ExxonMobil, Novartis, AoL, Nestle and IBM</p>
<b>Topics</b>	This class will introduce students to concepts of “shared value” and examine how the private sector is strategically collaborating with NGOs and governments to help solve public policy problems.
<b>Required Readings</b>	<p>Michael Porter and Mark Kramer, Harvard Business Review, <i>Creating Shared Value</i>, 2011</p> <p>FSG, <i>Creating Shared-Value: A How-to Guide for the New Corporate Revolution</i>, 2014 (+case studies)</p> <p>Michael Porter, <i>Harvard Business School, Creating Shared Value: Becoming a Movement</i>, 2014</p> <p>Carol Moore, <i>Corporate Social Responsibility and Creating Shared Value: What’s the Difference</i>, 2014</p>
<b>Optional Readings</b>	<p>Klaus Schwab, Foreign Affairs Magazine, <i>Global Corporate Citizenship</i>, 2008</p> <p>Harvard Business School, <i>Why Every Company Needs a CSR Strategy and How to Build It</i>, 2012</p>

# SPRING BREAK

<b>Shared-Value Case Studies Role of the NGO Companies Embracing SV</b>	<b>March 16, 2015</b>
<b>Topic</b>	<p>This class will examine the business imperatives of entering into shared-value partnerships, and how international NGOs are playing the role traditionally played by government.</p> <p>Each student will be responsible for researching and facilitating in-class discussion of one company's shared value partnerships with NGOs.</p>
<b>Reading</b>	<p>Shared Value Initiative, <i>Built to Create Shared Value: How Nestlé Tackles Malnutrition in Developing Regions</i>, 2014</p> <p>Nestle Sustainability Report 2013</p> <p>Coca Cola Sustainability Report 2014</p> <p>Unilever Sustainability Report 2013</p> <p>Adeeb Mahmud, <i>Ahead of the Curve, Evolving Role of NGOs</i>, 2013</p>
<b>Small Group</b>	<p>World Food Programme, Technoserve, Clinton Foundation/Clinton Global Initiative, Nature Conservancy, World Wildlife Fund</p>

<b>Environmental Sustainability</b>	<b>March 23, 2015</b>
<b>Topics</b>	This class will examine corporate environmental sustainability efforts, and look at how the private sector is partnering with governments and NGOs to address the affects of climate change on business and society. Discussion will include how companies and NGOs are collaborating on issues such as water shortages, agricultural sustainability, and clean energy challenges.
<b>Required Readings</b>	<p>Stanford Social Innovation Review, <i>Shaping Global Partnerships for a Post-2015 World</i>, 2014</p> <p>BSR, <i>Business in a Climate Constrained World</i>, 2014</p> <p>The World Bank, <i>A Public-Private Approach to Climate Finance</i>, 2013</p> <p>*David Lubin and Daniel Etsy, <i>The Sustainability Imperative</i>, Harvard Business Review, 2010</p> <p>BSR, <i>Climate Change, Implications for Agriculture</i>, 2014</p> <p>Accenture, <i>UN Global Impact, CEO Study on Sustainability</i>, 2013</p> <p>World Economic Forum, <i>White Paper on Business Sustainability: What it is and Why it Matters</i>, 2014</p> <p>The Nature Conservancy and Dow 2013 Annual Progress Report</p>

<b>International Development</b>	<b>March 30, 2015</b>
<b>Topics</b>	In this class, we will examine how governments partner with NGOs and the private sector in the provision of international development projects. In particular, we'll examine U.S. government efforts in the State Department, USAID, and Peace Corps.
<b>Readings</b>	<p>Kennedy School of Government, <i>Millennium Development Goals and Human Rights: Companies taking a rights-aware approach to development</i>, 2010</p> <p>USAID, <i>Evaluating Global Development Alliances: An Analysis of USAID's Public-Private Partnerships for Development</i></p> <p>John F. Kennedy School of Government, <i>Building a Post-2015 Development Framework to Achieve Sustainable Prosperity in Africa</i></p> <p>John F. Kennedy School of Government, <i>The Coca-Cola Company's 5by20 Initiative, Empowering Women Entrepreneurs Across the Value Chain</i>, 2013</p> <p>John F. Kennedy School of Government, <i>Project Nurture: Partnering for Business Opportunity and Development Impact</i>, 2013</p> <p>FSG, <i>Shared Value in Emerging Markets, How Multinational Corporations Are Redefining Business Strategies to Reach Poor or Vulnerable Populations</i>, 2013</p> <p>U.S Department of State, <i>Policy Framework and Legal Guidelines for Partnership</i>, 2011</p> <p>United Nations, <i>Sustaining Human Progress: Reducing Vulnerabilities and Sustaining Progress</i>, 2014</p>
<b>Case Studies</b>	<p>Global Alliance for Clean Cook-Stoves, Phase I (2010-2014)</p> <p>*Rosabeth Moss Kanter and AI-Ling Jamila Malone, HBS, <i>Hillary Clinton: Leading Global Social Change from the State Department</i>, 2012</p> <p>*Harvard Business School, <i>Partnership for Lebanon and Cisco Systems: Promoting Development in a Post-war Context</i>, (HBS) 2011</p> <p>*Harvard Business School, <i>Wal-Mart Puerto Rico: Promoting Development Through a Public-Private Partnership</i>, 2010</p>

<b>April 6, 2015</b>
<b>2<sup>nd</sup> Practical Exercise Presentations</b>
<b>*Power Point Due*</b>
<b>*Ten Minute Class Power Point Briefings*</b>

<b>Measurement Tools</b>	<b>April 13, 2015</b>
<b>Readings</b>	<p>FSG, <i>Measuring Shared Value: How to Unlock Value by Linking Social and Business Results</i></p> <p>Global Reporting Initiative</p> <p>Sustainability Accounting Standards Board</p> <p>Bloomberg <i>Environmental, Social, and Governance</i> (“ESG”)</p> <p>Dow Jones Sustainability Index</p> <p>Clinton Global Initiative, <i>CGI: Commitment Portfolio Analysis</i>, 2014</p> <p>Global Reporting Initiative, <i>Trends in External Assurance of Sustainability Reports</i>, 2014</p> <p>United Nations, <i>Sustaining Human Progress: Reducing Vulnerabilities and Sustaining Progress</i>, 2014 (earlier reading)</p>

<b>Stakeholder Engagement and Communication Strategies</b>	<b>April 20, 2015</b>
	*Guest Speaker

<b>Class Review Best Practices</b>	<b>April 27, 2015</b>
<b>Reading</b>	Inspector General, United States Postal Service, <i>Public-Private Partnerships: Best Practices and Opportunities for the Postal Service</i> , 2013  In Class: draft model law using existing state PPP laws ( <u>see</u> summary document in G Drive) and incorporate best practices

<b>Final Examination</b>	<b>May 4, 2015</b>
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