



**NYU**

**SCHOOL OF  
PROFESSIONAL STUDIES**

## **M.S. in Global Affairs**

### **Private Sector Partnerships**

#### **General Course Information:**

Instructor: Chloe Demrovsky

Email: cd1204@nyu.edu

Course Number: GLOB1-GC2425.001 (3 credits)

Term: Spring 2017

Course Meeting Pattern: Mondays, 6:30-9:10 pm, 14 sessions, 2hrs and 40 minutes each

Office Hours: By appointment. Feel free to schedule in person or send me an email.

#### **Course Description:**

There is no one organization that has the full suite of capabilities, relationships or assets to tackle the world's most pressing challenges. The persistence of disease, malnutrition and poverty highlights the need for solutions that are as multi-faceted, systemic and global as the challenges themselves. And in the context of receding public budgets, government has insufficient capacity to address these social issues. Stepping in to fill this gap, the private sector recognizes a reputational and commercial opportunity to partner with government and civil society to provide assets and competencies that no other sector can provide. These cross-sector partnerships take many forms, and have evolved over the last decade having learned from the experience accumulated to date. This course will use case studies to examine a breadth of partnerships, from the traditional to the innovative, in order to surface the gaps, strengths and future potential for private-sector partnerships.

#### **Course Prerequisites:**

There are no prerequisites for this course.

#### **Course Structure/Method:**

This course is delivered in person. You should check NYU Classes at the start of the semester, to retrieve assigned readings, and to turn in assignments. If I add anything, I will send an email notification to let you know. To accommodate different learning styles, this course will involve a variety of formats including lecture, discussion, group exercises, and team projects.

#### **Course Learning Outcomes:**

Upon completion of this course, students should be able to:

- Articulate why and how public-private partnerships (PPPs) can and are being used to support governmental projects and address social problems
- Communicate an understanding of the decision-making process for committing to a project, the risks involved, and methods for structuring partnerships as profitable business ventures
- Identify potential opportunities for partnerships and develop proposals for structuring them using current frameworks

This class is designed with a practitioner mindset. Wherever possible, emphasis will be on outlining and discussing the practical aspects of how PPPs are designed and maintained.

### **Communication Policy:**

Credit students must use their NYU email to communicate or you can use NYU Classes course-mail, which supports student privacy and FERPA guidelines. If you need to contact me, please use my NYU email address listed at the top of this syllabus or contact me through NYU Classes. All inquiries will be answered within the week at the latest. If it is an urgent inquiry, I will answer sooner.

### **Course Expectations:**

Below you will find a breakdown of the assignments required in order to successfully complete this course:

- **Case study presentation:** For sessions 4-13, either a student or team (based on the size of the case) will prepare a 10-minute analysis of the case and present the facts as outlined in the reading. The students will then be expected to open the case discussion with a starting point of 3-5 discussion questions. Sessions will be assigned on the second day of class.
- **Case study analysis:** In addition to the in-class presentation, each student will write a two to three-page analysis of the case using the first two learning objectives of this course as guidelines. This should be done individually, not as a team, and turned in on the day of the presentation.
- **Partnership proposal:** Students will work in groups to develop a proposal. Each student must represent one of the organizations participating in the partnership (the government agency, the private company, an intermediary consulting firm, etc.). **It is essential that you let me know who is representing which party in order to ensure my ability to individually grade your contribution to the final project.** Where possible, selections should be made based on concentration.
  - The proposal should use real-life organizations and propose the development of an entirely new partnership. It cannot build on an existing partnership. Groups are not permitted to use an organization for which any group member currently works.
  - Groups are encouraged to reach out to the organizations that they have selected as part of their research. This should be done as early as possible.
  - Groups will present their proposals in a 20-minute presentation during the last two sessions.
  - Proposals must contain ALL the following elements:
    - Demonstrated critical social issue
    - Benchmarking of competing investments in the space including quantitative data from similar partnerships or projects to support your argument and lessons learned
    - Business case for the partnership including a cost-benefit analysis and demonstration of potential scalability (if appropriate)
    - Objectives of the partnership to demonstrate shared value
    - Roles and responsibilities for each organization
    - Risk assessment
    - Budget proposal
    - Set of performance metrics to measure project outcomes including milestones
    - Visuals aids including charts, graphs, frameworks, etc.

- The proposal should not exceed 15 pages excluding charts, graphs, and supplementary materials
- Project calendar:
  - **Session Five:** A two-page proposal outline will be subject to approval and must be turned in by Session Five. Groups may turn it in earlier if they would like to have more time to complete the project once it has been approved. At this time, a list should be provided naming the member of the group representing each entity in the partnership.
  - **Session Eight:** The first two required elements from the above list should be turned in. Any feedback should be incorporated into the final proposal.
    - Demonstrated critical social issue
    - Benchmarking of competing investments in the space including quantitative data from similar partnerships or projects to support your argument and lessons learned

**Course Calendar:**

JANUARY	FEBRUARY	MARCH	APRIL	MAY
23	6	6 (PROPOSAL DUE)	3 (BENCHMARKING	1
30	13	13 (NO CLASS)	DUE)	8 (PROJECT DUE)
	20 (NO CLASS)	20	10	
	27 (CONFLICT)	24 (MAKEUP)	17	
		27	24	

**Required and Recommended Material:**

There is one required book for this course:

- Mazzucato, Mariana. *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*. Public Affairs. October 27, 2015. (\$11.55)

Additional required readings for each session are listed under that session and **\*\*\*MUST BE COMPLETED PRIOR TO EACH SESSION\*\*\***. In order to benefit from this course, students are expected to come prepared to discuss the readings and debate the case study in depth.

**Assessment Strategy:**

- 20% - Class participation and In-class exercises: Active, respectful and collegial engagement in class discussion; evidence of reading and preparation. Contributions of insight to the analysis; raising questions showing insight into the implications of the analysis; accurate work.
- 20% - Case study presentation: Clear understanding of the issues at hand; ability to present them in an interesting, lucid and professional manner appropriate to the audience.
- 20% - Written analysis of assigned case study: Clear understanding of the issues at hand; ability to articulate them in an interesting, lucid and professional manner.
- 40% - Partnership proposal group project: Addressing the questions asked and drawing relevant and useful conclusions based on research and analysis; working together effectively as a team. You can't have a partnership without a group, so this assignment resembles a real-world experience. A list should be provided naming the member of the group representing each entity in the partnership to allow for individual assessment.

Late assignments will be docked 5 percentage points for every day past the due date and missed assignments will count as a zero toward your final grade.

Chronic lateness and poor attendance will not be tolerated and may result in a negative impact on your final grade.

### **NYUSPS Policies:**

“NYUSPS policies regarding the Family Educational Rights and Privacy Act (FERPA), Academic Integrity and Plagiarism, Students with Disabilities Statement, and Standards of Classroom Behavior among others can be found on the NYU Classes Academic Policies tab for all course sites as well as on the University and NYUSPS websites. Every student is responsible for reading, understanding, and complying with all of these policies.”

The full list of policies can be found at the web links below:

- University: <http://www.nyu.edu/about/policies-guidelines-compliance.html>
- NYUSPS: <http://sps.nyu.edu/academics/academic-policies-and-procedures.html>

### **TurnItIn:**

Some assignments in this course may be checked for plagiarism using TurnItIn.

### **School Grading Policies:**

Here is a link to the NYU SPS grading policy appropriate for this course:

<http://sps.nyu.edu/academics/academic-policies-and-procedures/graduate-academic-policies-and-procedures.html#Grades>

### **Resources:**

- **Student Resources:** <http://www.nyu.edu/life/resources-and-services.html>
- **Virtual Computer Lab:** <https://vcl.nyu.edu/vpn/index.html>
- **NYUSPS International Student Support Center:** <http://www.scps.nyu.edu/student-affairs/student-life/international/international-student-support-center.html>

### **Course Outline:**

There are no pre-course reading assignments.

#### **1. January 23: Introduction**

This session is designed to set expectations for the course. It will provide an introduction to the syllabus and course structure including grading policies. Students will be asked to introduce themselves and their goals in taking this course. This course will conclude with an overview of the case study learning method that will be used throughout the course.

#### **2. January 30: Partnership structure**

The class will provide an introduction to public-private partnerships. Why do they exist? How do they work? What are the types of partnerships that currently exist? PPPs are complex endeavors that can have a large number of stakeholders. How are they structured in light of the large number of actors?

### Readings:

- Mazzucato. Introduction, Chapters 1 & 2
- Gage, David. *The Partnership Charter*. Chapter 2 and Appendix (on NYU Classes)
- Read the Overview and skim the other two PDFS from New Zealand's Standard Form PPP Partnership Agreement portal:  
<http://www.treasury.govt.nz/statesector/ppp/standard-form-ppp-project-agreement>

### **3. February 6: Building a “Win-Win” Partnership**

What are the critical success factors in designing a PPP? What makes some partnerships vulnerable to failure? Setting expectations from the beginning of a partnership is essential to building a “win-win” situation for all involved parties.

### Readings:

- Kwak, Young Hoon, et al. “Towards a Comprehensive Understanding of Public Private Partnerships for Infrastructure Development”. *California Management Review*. (\$8.95):  
<http://hbr.org/product/towards-a-comprehensive-understanding-of-public-private-partnerships-for-infrastructure-development/an/CMR418-PDF-ENG>
- *Unleashing the Power of Business*. The Partnering Initiative:  
[http://www.thepartneringinitiative.org/wp-content/uploads/2015/07/Unleashing-the-Power-of-Business\\_Roadmap\\_full\\_forweb.pdf](http://www.thepartneringinitiative.org/wp-content/uploads/2015/07/Unleashing-the-Power-of-Business_Roadmap_full_forweb.pdf)
- Tennyson, Ros. *The Partnering Toolbook*. The Partnering Initiative:  
<http://thepartneringinitiative.org/publications/toolbook-series/the-partnering-toolbook/>

### Case Study:

- Terlidis, Minas. “Athens Ring Road (Attiki Odos)”. Darden Business Publishing (\$8.95):  
<http://hbr.org/product/athens-ring-road-attiki-odos/an/UV1067-PDF-ENG>

### **4. February 13: Risks to engaging in partnership**

Entering into a partnership requires trust, flexibility, and the ability to cede some control to another entity. It is also fraught with risks of various types including financial, operational, organizational, and reputational. Why do organizations enter into partnerships and how can they minimize partnering risk? In this session, we will examine the potential challenges of engaging in partnerships.

### Readings:

- Mazzucato. Chapters 3 & 4
- Webb, Tobias. “Does it pay to get into bed with business?” *The Guardian*:  
<http://www.guardian.co.uk/environment/2005/feb/25/activists.ethicalmoney>
- Romero, Maria Jose. “What lies beneath?” *Eurodad*.  
<http://eurodad.org/files/pdf/559e6c832c087.pdf>

### Case Study:

- Stott, L. “Conflicting Cultures”. The Partnering Initiative (on NYU Classes)

### **5. March 6: Research and Development for Technological Innovation**

Public-private partnerships are essential to promoting early-stage, blue-sky technological innovation. In this session, we will how the public and private sector work together to promote innovation. Who are the players and how are their roles defined? What are the enduring myths around this process? How are national governments supporting technological innovations in different ways and what can be learned from the various models available?

## PARTNERSHIP PROPOSAL OUTLINE DUE (2 pages)

### Readings:

- Mazzucato. Chapters 5, 8, 9, 10, Conclusion (especially 5)

### Case Study:

- Shih, Willy and Margaret Pierson. "Danish National Advanced Technology Foundation". Harvard Business School (\$8.95): <https://hbr.org/product/danish-national-advanced-technology-foundation/612091-PDF-ENG>

## 6. March 20: Finance and Economic Development

The lack of access to capital is a severe bottleneck to development in many markets. Can the private sector provide more than technical assistance by creating financing programs to service emerging markets? How can PPPs fill the funding gap for social projects? What are the challenges of creating avenues for funding?

### Readings:

- Bensoussan, Etyan, et al. *Innovative Development Financing*. McKinsey: [http://www.mckinsey.com/insights/social\\_sector/innovative\\_development\\_financing](http://www.mckinsey.com/insights/social_sector/innovative_development_financing)
- Yescombe, E.R. *Public-Private Partnerships: Principles of Policy and Finance*. Elsevier Finance. Chapter Four (on NYU Classes)
- Farquharson, et al. *How to Engage with the Private Sector in Public-Private Partnerships in Emerging Markets*. Chapter 5 (on NYU Classes)
- Yunus, Muhammad. *Building Social Business*. Chapter 1 (on NYU Classes)
- Aviv, Diana and Antony Bugg-Levine. "Social Services Won't Survive without New Sources of Funding". *The Chronicle of Philanthropy*: <http://philanthropy.com/article/Social-Service-Groups-Won-t/140225/>

### Case Study:

- Christopher Marquis, et al. "Goldman Sachs: The 10,000 Women Initiative". Harvard Business School. (\$8.95): <https://hbr.org/product/goldman-sachs-the-10-000-women-initiative/509042-PDF-ENG>

## 7. March 24: Alternative Financing: Pay-for-Success and Social Impact Bonds

Social enterprises represent a hybrid model that is trending in the social sector. What is the role of hybrid corporations in delivering social services? Are these new kinds of PPPs better relegated to the corporate social responsibility department or can they play a wider role in accomplishing long-term organizational objectives?

### Readings:

- Hanna, Julia. "The Hard Work of Measuring Social Impact". Harvard Business School: <http://hbswk.hbs.edu/item/6401.html>
- Smith, Tony. "Prisons and Social Enterprise". *Huffington Post*: [http://www.huffingtonpost.com/tony-smith/prisons-and-social-enterp\\_b\\_3909061.html](http://www.huffingtonpost.com/tony-smith/prisons-and-social-enterp_b_3909061.html)
- Rudd, Timothy, et al. "Financing Promising Evidence-based Programs". MDRC: [http://mdrc.org/sites/default/files/Financing\\_Promising\\_evidence-Based\\_Programs\\_FR.pdf](http://mdrc.org/sites/default/files/Financing_Promising_evidence-Based_Programs_FR.pdf)
- Butler, David, et al. "Using Social Impact Bonds to Spur Knowledge-Building and Accountability". MDRC: [http://www.mdrc.org/sites/default/files/SIB\\_SFfedReserve.pdf](http://www.mdrc.org/sites/default/files/SIB_SFfedReserve.pdf)

- MDRC Statement on the Vera Institute’s Study of the Adolescent Behavioral Learning Experience (ABLE) Program at Rikers Island. MDRC:  
<http://www.mdrc.org/news/announcement/mdrc-statement-vera-institute-s-study-adolescent-behavioral-learning-experience>

#### Case Study:

- Dan Levy and Pamela Varley. “Betting Private Capital on Fixing Public Ills: Instiglio Brings Social Impact Bonds to Colombia”. Kennedy School (\$8.95):  
<https://hbr.org/product/betting-private-capital-on-fixing-public-ills-instiglio-brings-social-impact-bonds-to-colombia/KS1003-PDF-ENG>

### **8. March 27: Urban Planning: Building the “cities of the future”**

What makes a city great? With the expansion of city populations and the propagation of megacities, there is an opportunity for PPPs to facilitate cooperation between sectors. How can partnerships facilitate access to social services and improve urban livability?

#### Readings:

- “Transforming cities: Visions of a better future”. Rockefeller Foundation (on NYU Classes)
- Bouton, Shannon, et al. *How to Make a City Great*. McKinsey (Be sure to download the full report.): [http://www.mckinsey.com/insights/urbanization/how\\_to\\_make\\_a\\_city\\_great](http://www.mckinsey.com/insights/urbanization/how_to_make_a_city_great)
- *The Collaborative City: How partnerships between the public and private sectors can achieve common goals*. Freedman Consulting:  
[http://www.nyc.gov/html/fund/downloads/pdf/ppp\\_report\\_112013.pdf](http://www.nyc.gov/html/fund/downloads/pdf/ppp_report_112013.pdf)
- Dobbs, Richard, et al. *Infrastructure Productivity: How to save \$1 trillion a year*. McKinsey (on NYU Classes)

#### Case Study:

- Donahue, John D. “Parks and Partnership in New York City” (USA), Kennedy School (\$8.95): <http://hbr.org/product/parks-and-partnership-in-new-york-city-a-adrian-benepe-s-challenge/an/HKS086-PDF-ENG>

### **9. April 3: Emergency Response and Humanitarian Assistance**

Responsibility for mitigating risks lies between the public and private sectors. And while it is difficult to determine who should lead the effort to promote preparedness, it is certain that emergency response is an insurmountable feat without stakeholder engagement at every level. After a high-profile event, there is a short window of opportunity in which there is broad public support for change, which must be leveraged to promote preparedness. From international organizations down to communities, building partnerships for preparedness is essential.

### **PARTNERSHIP PROPOSAL BENCHMARKING DUE.**

#### Readings:

- *Bending Adversity: Japan and the Art of Survival*. Pilling, David. The Penguin Press, 2014. Chapters 1, 2, & 14. (on NYU Classes)
- Thomas, Anisya and Lynn Fritz. “Disaster Relief, Inc”. Harvard Business Review:  
<http://hbr.org/2006/11/disaster-relief-inc/ar/1>
- Abou-Bakr, Ami J. *Managing Disaster through Public-Private Partnerships* (on NYU Classes)

#### Case Study:

- Tomasini, Rolando. "Moving the World: The TPG-WFP Partnership" (Parts I and II). INSEAD. (on NYU Classes)

### **10. April 10: Resilience and Disaster Risk Reduction**

The large-scale consequences of a disaster make cooperation between the public and private sectors imperative to success in building resilient communities. Globalization has led to extraordinary advances, but it also has created a vast network of dependencies in addition to a greater risk profile for all stakeholders. Disasters that happen on one side of the world can directly impact organizations on the other side. How are practitioners around the globe addressing incremental and complex interdependencies between organizations -- as well as emerging risks?

#### Readings:

- *Global Assessment Report 2013: Private-Sector Engagement*. UNISDR. [http://www.preventionweb.net/english/hyogo/gar/2013/en/home/GAR\\_2013/GAR\\_2013\\_2.html](http://www.preventionweb.net/english/hyogo/gar/2013/en/home/GAR_2013/GAR_2013_2.html)
- Porter, Michael. "Creating Shared Value". *Harvard Business Review*. (on NYU Classes)

#### Case Study:

- Rosegrant, Susan and Dutch Leonard. "Wal-Mart's Response to Hurricane Katrina: Striving for a Public-Private Partnership". The Kennedy School (\$8.95) : <https://hbr.org/product/wal-mart-s-response-to-hurricane-katrina-striving-for-a-public-private-partnership/HKS150-PDF-ENG>

### **11. April 17: Healthcare**

Healthcare provides an ideal opportunity to pair the technical expertise and resources of the private sector with the market knowledge of the public and nongovernmental sectors. How are healthcare projects designed and implemented? What is the unique set of challenges that comes with designing sustainable health systems?

#### Readings:

- Deloitte. "2016 Global Health Outlook". <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Life-Sciences-Health-Care/gx-lshc-2016-health-care-outlook.pdf>
- Porter, Michael. "Competing by saving lives: How Pharmaceutical and Medical Device Companies Create Shared Value in Global Health". FSG. (on NYU Classes)
- Snibbe, Alana Conner. "The Seven Habits of Highly Effective Health Partnerships: What it takes to make cross-sector alliances work". *Stanford Social Innovation Review*. <http://www.odi.org.uk/resources/docs/140.pdf>
- Prahalad, C.K. *The Fortune at the Bottom of the Pyramid*. Wharton School Publishing 2005. Section II. (on NYU Classes)

#### Case Study:

- Lee, Henry. "Lesotho Hospital and Filter Clinics: A Public-Private Partnership". The Kennedy School (\$8.95): <http://hbr.org/product/lesotho-hospital-and-filter-clinics-a-public-private-partnership/an/HKS766-PDF-ENG>

### **12. April 24: Energy Projects**

Understand how and why extractives companies have increasingly taken on responsibilities typically associated with government and its provision of public services. How do companies address issues of energy nationalism? What are the human rights issues that arise? Can partnerships be part of the solution to moving from an extractives-based solution to providing energy in a sustainable and inclusive way?

Readings:

- USAID. Alliance Industry Guide: Extractives Sector. [https://www.usaid.gov/sites/default/files/documents/1880/Extractives\\_Guide.pdf](https://www.usaid.gov/sites/default/files/documents/1880/Extractives_Guide.pdf)
- Lewis, Paul. "Blood and Oil". *New York Times Special Report*. <http://www.nytimes.com/1996/02/13/world/blood-and-oil-a-special-report-after-nigeria-represses-shell-defends-its-record.html?pagewanted=all&src=pm>
- Mazzucato. Chapters 6 & 7.
- Block and Keller. *State of Innovation*. Chapter 9. (on NYU Classes)

Case Study:

- Richard H.K. Vietor. "Low-Carbon, Indigenous Innovation in China". Harvard Business School (\$8.95): <https://hbr.org/product/low-carbon-indigenous-innovation-in-china/712061-PDF-ENG>

**13. May 1: Supply chain collaborations: Partnering with suppliers to maximize social impact**

Suppliers represent a reputational risk to their world-renowned customers. Multinational corporations must perform effective due-diligence throughout their supply chains including partnering with local governments on regulatory and safety issues. How can companies ensure that adherence to sustainability goals is effective throughout their supply chain? Is there an opportunity for businesses to partner with their suppliers to drive industry-wide impact?

Readings:

- Pitts, Chip, et al. "The Drivers of CSR". *Corporate Social Responsibility*. [http://unglobalcompact.org/docs/news\\_events/academic\\_literature/Chip%20Pitts,%20et%20al,%20Corporate%20Social%20Responsibility,%20A%20Legal%20Analysis%20Chapter%202%20The%20Business%20Case%20and%20Drivers%20of%20CSR.pdf](http://unglobalcompact.org/docs/news_events/academic_literature/Chip%20Pitts,%20et%20al,%20Corporate%20Social%20Responsibility,%20A%20Legal%20Analysis%20Chapter%202%20The%20Business%20Case%20and%20Drivers%20of%20CSR.pdf)
- *A New Era of Sustainability in Consumer Goods*. Accenture and UN Global Compact (on NYU Classes)
- Kam, Booi. "Managing Outsourcing Risks in the Global Supply Chain". RMIT University (on NYU Classes)
- Leisinger, Klaus. "On Corporate Responsibility for Human Rights". UN Global Compact: [http://www.unglobalcompact.org/docs/news\\_events/9.6/corpresforhr\\_kl.pdf](http://www.unglobalcompact.org/docs/news_events/9.6/corpresforhr_kl.pdf)

Case Study:

- Kester, Corinna and Dana Ledyard. "The Sustainable Apparel Coalition: A Case Study of a Successful Industry Collaboration". Berkeley HAAS (on NYU Classes)

**14. May 8: GROUP PROJECT PRESENTATIONS**