



USAID
FROM THE AMERICAN PEOPLE

GLOBAL DEVELOPMENT ALLIANCE

EXPANDING THE IMPACT OF FOREIGN ASSISTANCE
THROUGH PUBLIC-PRIVATE ALLIANCES





We agree on the need for partnerships across borders and among both the public and private sectors. We must call upon the compassion, energy, and generosity of people everywhere. This means that not only governments can help, but also private corporations, foundations, faith-based groups, and nongovernmental organizations as well.

—President George W. Bush



We know that the cruel indignities of life without clean water, adequate sanitation, sustainable livelihood, or democratic governance can deny us our basic freedoms as surely as any despotic regime. The challenge before us is for all to work together in partnership—business, government, and civil society—to seek out and achieve a more just world that bridges the divide between developed and developing nations.

In May 2001, my predecessor Secretary Powell launched the Global Development Alliance as a new business model for the U. S. Agency for International Development. Public-private alliances multiply the impact of official U.S. development assistance abroad. Secretary Powell and USAID made significant progress in this area and we must build on the established foundation.

The alliance stories in this document are a small but representative sample demonstrating the actions of committed individuals and organizations across all spheres of action—reducing poverty and encouraging democratization, economic reform, civil society, and opportunity for all through education.

I hope that potential partners will read this report with great interest. It should be seen as a celebration of those individuals and groups that have already come together to form alliances furthering international development, as well as an invitation to others to join in future partnerships.

—Secretary of State Condoleezza Rice



International development has entered a new era of public-private partnerships. While we have more than doubled official development assistance in this decade, American private capital flows to the developing world have tripled between 2003 and 2005 alone, and now represent more than 80 percent of capital funding to developing countries.

This dramatic increase in private capital implies a profound and promising change in the way international development is financed and conducted. USAID has embraced this change. Using the Global Development Alliance (GDA) business model, USAID has become the world leader in engaging the private sector by mobilizing and partnering with its ideas, resources, skills, and technologies, for maximum development impact. To date, we have cultivated more than 600 alliances with over 1,700 partners. Using \$2.1 billion in public funding, we have leveraged \$5.8 billion in private money, and engaged the imagination and energy of thousands of people who were previously not involved in development issues.

Together, the public and private sectors' complementary assets have encouraged innovative approaches, more effective problem-solving, and deeper development impact. We are building a more comprehensive network of resources, skills, and information to deliver sustainable solutions to the world's critical development challenges.

Expanding and deepening public-private partnerships in every sector are one of my highest priorities at USAID. These partnerships will deliver innovation and results for decades to come.

—USAID Administrator and Director of U.S. Foreign Assistance Henrietta H. Fore

INTRODUCTION

Six years ago, the U.S. Agency for International Development (USAID) created the Global Development Alliance (GDA) business model to combine the assets and energy of corporations, foundations, nonprofit organizations, and donors to expand on development assistance to the world's poorest countries. This innovative model for public-private alliances is USAID's commitment to maximize the effectiveness of aid to address development challenges more effectively.

Over time, the GDA business model has helped to transform and redefine the way USAID does business, shifting away from the traditional client-vendor relationship to welcoming the private sector as full and equal partners on development projects. As a result, USAID has cultivated more than 600 public-private alliances with over 1,700 unique partners, and leveraged \$5.8 billion in resources from partners with \$2.1 billion in public investment.

Today, we are achieving more in partnership than any single actor could accomplish alone. By combining the complementary assets and energy of private enterprise with the development expertise, convening and coordinating authority, financial resources, and global presence of USAID, the GDA business model has resulted in enduring alliances that encourage innovation and more effective problem-solving for maximum development impact.

Not only are we now developing new alliances at a more rapid pace, we are working with the private sector at all levels including small and medium enterprises to huge multinationals. In addition, we are expanding a number of these partnerships with companies such as Intel, Starbucks, Microsoft and Cisco to a global level with a new model for cooperation. These "Global Frameworks" allow both the Agency and our partners to undertake higher quality activities with less start-up time for quicker results.

Whether through a global framework or through a more traditional partnership, you can be part of our effort to build a new era of global economic growth and opportunity. The alliances that are highlighted in the following pages illustrate our many successes. However, much work remains to advance the use and effectiveness of public-private alliances. Together, we can achieve more robust and sustainable development outcomes.

We look forward to working with you as your alliance ideas take shape.

NETWORKING ACADEMY ALLIANCE

Building Worldwide Information Technology Capacity

RESULTS

- 250 academies established in 47 least developed and developing countries.
- 12,700 students have graduated from the Cisco Certified Network Associate program; 31 percent of graduates are women.
- Over the life of this initiative, more than 49,400 students have been enrolled in this program in least developed countries.

PARTNERS

Cisco Learning Institute
Cisco Systems Inc.
International Telecommunication Union
Panduit
United Nations Development Programme

CHALLENGE

In the developing world, significant shortages of information technology (IT) professionals cripple the ability of countries to tap into the new global IT infrastructure that will power commerce and culture for the foreseeable future. An estimated 2 million computer network installers and managers are needed worldwide, particularly in developing nations. Developing the human capital to exploit this opportunity, fostering the proper regulatory framework, and laying a durable IT infrastructure are key interventions these countries can make to enable future economic growth and achieve self-sufficiency.

INITIATIVE

The Cisco Networking Academy Alliance is a multimillion dollar global e-learning initiative that is cultivating a robust IT workforce in developing countries. By teaching students the necessary computer networking skills and preparing them for internationally recognized Cisco Certified Network Associate credentials, the alliance provides the skills required to compete effectively in the global marketplace. The alliance also provides scholarships for girls and women to attend the Networking Academies, and offers job-searching guidelines to Academy graduates. Through its Networking Academy Program pioneered in the United States, Cisco is now a global partner with USAID and other donors working to bridge the digital divide among nations.

“The internet has the power to positively change the way people learn, work, play, and relate to one another. The Cisco Networking Academy Alliance with USAID is at the forefront to bring this transformation to the developing world.”

—Tae Yoo
Vice President, Corporate Affairs, Cisco Systems



REMITTANCES FOR ECONOMIC GROWTH ALLIANCE

Creating Broader Access to Financial Services

CHALLENGE

Mexican emigrants and Mexican Americans sent over \$16 billion to Mexico in 2004, an amount greater than the country's revenues from tourism. But high transaction costs hinder the potential to channel personal remittances toward sustainable development as well as household support. Even a 1 percent reduction in transaction costs would leverage hundreds of millions of dollars in additional resources for Mexico. There is also a dearth of financial services for the aspiring poor: an estimated 40 percent of Mexicans lack access to banking services that would enable savings, loans, and other wealth management opportunities.

INITIATIVE

The Remittances for Economic Growth Alliance joins USAID with the World Council of Credit Unions and Mexico's credit union network to lower the costs of personal remittance transfers and create broader access to financial services, such as savings, credit, and mortgages. Partners are training local credit union staff in Mexico and providing updated technologies for money transfers. The network includes Mexico's largest credit union, Caja Popular Mexicana, which has over 320 branches and more than 800,000 clients.

RESULTS

- From mid-2003 to mid-2004, over 25,000 remittance transfers totaling nearly \$11 million were sent through the alliance
- 92 percent of remittance recipients are women, and remittances are the primary source of household income in some Mexican communities
- Lower costs and industry-wide competition led to a 50 percent reduction (from \$30 to \$15) in transaction costs between 1998 and 2004

PARTNERS

Caja Popular Mexicana
California Credit Union League
Texas Credit Union System
World Council of Credit Unions



“Efficient remittance flow through the formal financial system not only benefits the households that send and receive them, but also contributes to the growth and development of the world’s poorest countries. We must enhance the development potential of the flow by increasing access to financial services and expanding knowledge of how to use such services.”

—Anna Escobedo Cabral
Treasurer of the United States

NETMARK ALLIANCE

Reducing Malaria through Commercial Sector Partnerships

RESULTS

- More than 47 commercial partners invested over \$54 million for a sustainable bednet market in Africa
- 15 million more people sleep under bednets in NetMark countries since 2002
- 22 percent increase in household bednet ownership in countries where NetMark operates, and use among pregnant women and children under 5 increased by an average of 13 percent
- Treated bednets now cost 30-70 percent less than untreated nets in 2000

PARTNERS

Academy for Educational Development
Anovotek
AZ Textiles
BASF
Bayer AG
Exp Momentum
ExxonMobil Corporation
FCB Advertising
The Nigerian Net Stickers Association
SiamDutch Mosquito Netting Co.
Sunflag Nigeria/Tanzania

CHALLENGE

In sub-Saharan Africa, more than 2 million people die each year as a result of malaria; most victims are pregnant women and children under 5. Insecticide-treated mosquito nets are one of the most effective methods for preventing malaria: their use has decreased severe malaria by 45 percent, premature births by 42 percent, and all causes of child mortality by 20 percent. To protect the most at-risk populations, the World Health Organization estimates an annual need for 32 million insecticide-treated nets.

INITIATIVE

The NetMark Alliance represents a time-limited investment by USAID to reduce the burden of malaria in sub-Saharan Africa by increasing the commercial supply of and public demand for insecticide-treated nets. The alliance brings together international and African commercial partners, nonprofits, and ministries of health to build local commercial capacity and meet the demand of those willing and able to pay for bednets, thus enabling limited donor resources to provide for those unable to afford lifesaving nets at any price. This is achieved through a coordinated market segmentation strategy, including an extensive discount voucher program in partnership with ExxonMobil.

“Africa is a significant and growing contributor to the world’s energy economy, but diseases like malaria continue to wreak havoc on the health of the African people. Through our Africa Health Initiative, utilizing service providers such as NetMark, we are working to reduce the impact of this devastating disease.”

—Rex Tillerson
President, ExxonMobil Corporation



SESAME STREET ALLIANCE

Educating Children and Parents around the World

CHALLENGE

As many as 114 million primary-school-aged children are not enrolled in school. Large disparities also persist in the ratio of girls to boys in school, especially where community attitudes toward girls' education range from ambivalence to opposition. Current development practice suggests that girls' education is the single biggest factor in a country's economic and social development and that early interventions yield the most lasting results. But while preschool attendance is under 20 percent in many developing countries, a much greater percentage have access to television, an educational vehicle of great potential.

INITIATIVE

The Sesame Street Alliance brings USAID together with in-country education experts and the creative legacy of Sesame Workshop to coproduce local adaptations of the long-running classic Sesame Street. Each series focuses on basic literacy and numeracy skills, while encouraging girls' education, positive health and hygiene practices, mutual respect and understanding among individuals and cultures, and other issues of particular relevance to individual countries. Sesame Street teaches such concepts to parents as well as children, reinforcing the learned behavior in the home. Sesame Workshop and USAID are together advancing positive cross-cultural linkages, while laying the foundation for sustained social development within the individual countries producing the Sesame Street series.

RESULTS

- Sesame Street fosters democracy, health, and environmental awareness in Russia
- 90 percent of Egyptian children aged 2–8 watch the program, as do 70 percent of female caregivers
- The program reinforces self-esteem, respect for others, and literacy and numeracy skills for over 6 million South African children daily
- Since 2005, the Bangladesh program has been teaching critical thinking, appreciation for religious diversity, and health
- Programming currently under development in India explores gender equality, environment, and diversity for 157 million children under age 6

PARTNERS

Commercial sponsors, including Unilever, Nestlé, and Sanlam Insurance
National ministries of education
Sesame Workshop



“Intelligent children’s programming can instill certain ideas and values that are indispensable in today’s world.”

—Egyptian First Lady Suzanne Mubarak (seen here with First Lady Laura Bush)

BALKAN TRUST FOR DEMOCRACY

Building Democracy in Southeastern Europe

RESULTS

- The “I Vote for the First Time” initiative in Croatia teaches civic education to youth, encourages participation in the political process, and has educated more than 70 percent of first-time voters
- The “Truth About the Past—Foundation for the Future” initiative united over 140 NGOs dedicated to peace, reconciliation, and normalization of relations among former members of the Federal Republic of Yugoslavia
- The Regional Environmental Center Kosovo promotes public participation in environmental decision-making

PARTNERS

Charles Stewart Mott Foundation
German Marshall Fund
Government of Greece
Kingdom of the Netherlands
Rockefeller Brothers Foundation
Swedish International Development
Cooperation Agency

CHALLENGE

While the accomplishments of Southeast European countries in establishing democracies are significant, much work remains to be done. Transparent, accountable, and effective governance, as well as respect for human rights and broad citizen participation in decision-making, are essential foundations for mature democracies. These factors contribute to regional stability and foster integration into Euro-Atlantic institutions, such as the European Union and NATO.

INITIATIVE

The Balkan Trust for Democracy is a \$27 million grant-making initiative designed to support good governance and increase civic participation in Southeast Europe. The Balkan Trust awards over \$2 million annually in grants to civic groups, local NGOs, local and regional governments, think tanks, educational institutions, and the media in the Balkans. Investing in local groups and civil society strengthens democratic institutions and political processes and supports the region-wide political and social development required for long-term stability. In addition, the Balkan Trust helps raise the profile of the region and fosters its acceleration into Euro-Atlantic structures such as NATO and the European Union.

“The Balkan Trust for Democracy represents a long-term commitment by the German Marshall Fund and our partners to help these countries to meet their goals of democratic consolidation and membership in NATO and the European Union.”

—Craig Kennedy
President, The German Marshall Fund of the United States



ENTERPRISE DEVELOPMENT ALLIANCE

Restoring Angola's Agriculture and Economy

CHALLENGE

Angola's 27-year civil war left the country with 2 million displaced persons, 100,000 ex-combatants, an agricultural system in disarray, and a shattered economy. Though a net exporter of food prior to the war, Angola now depends on foreign aid to feed its people. In addition, the ability of lower levels of government to provide public goods and services is weak, while onerous regulations stymie efforts to jumpstart the economy through business creation.

INITIATIVE

Following the 2002 peace accord, President José Eduardo dos Santos challenged Chevron Chairman and CEO Dave O'Reilly to consider the company's legacy after decades as Angola's largest investor and biggest employer. O'Reilly responded with the Enterprise Development Alliance, through which Chevron and USAID each committed a minimum of \$10 million to fund initiatives in agribusiness development; small, medium, and microenterprise development; financial sector capacity building for expanded access to credit services; and financial and technical support services to agribusiness activities such as seed multiplication and crop diversification. With the full \$20 million disbursed, Chevron and USAID are exploring opportunities for a second-generation partnership that will continue to invigorate the economy and realize Angola's potential.

RESULTS

- Agricultural and livelihood development services provided to over 210,000 ex-combatants and refugees
- 45 percent reduction in the number of food-insecure and vulnerable individuals in Angola, largely through alliance efforts
- Novo Banco, a development bank created by the alliance, disbursed 500 micro- and small business loans totaling \$2.5 million and established 5,000 new savings accounts worth \$1 million

PARTNERS

Chevron Corporation
Government of Angola



“Our partnership efforts build on ideas embraced at the World Summit on Sustainable Development in Johannesburg. The Enterprise Development Alliance takes advantage of USAID and Chevron’s collective strengths to make an important contribution to the economic recovery of Angola.”

—Dave O'Reilly
Chairman and CEO, Chevron Corporation

WEST AFRICA WATER INITIATIVE

Bringing Clean Water to West Africa

RESULTS

- By 2008, up to 450,000 to benefit from
- 100 alternative water sources developed
 - 825 borehole wells drilled
 - 9,000 latrines constructed
 - thousands trained in water management, hygiene, and sanitation
 - dozens of community associations, women's groups, and households better able to use water

PARTNERS

Conrad N. Hilton Foundation
Cornell International Institute for Food,
Agriculture, and Development
Desert Research Institute
Helen Keller International
International Trachoma Initiative
Lions Clubs International
UN Foundation
UNICEF
WaterAid
World Chlorine Council
World Vision International

CHALLENGE

Nearly 20 percent of the world's population—1.2 billion people—lack access to clean drinking water, and 2.4 billion lack access to adequate sanitation. In 2000 alone, 1.3 million children under 5 died from diarrheal diseases caused by unsafe water and sanitation. Throughout the developing world, the poor suffer from preventable water-related diseases, including guinea worm, river blindness, and trachoma—the world's leading cause of preventable blindness. In the poor and vulnerable rural communities of Ghana, Niger, and Mali, health and livelihood issues associated with water resources are critical. Food security and the health of ecosystems—upon which all life depends—require sustainable sources of clean water that so many in developed countries take for granted.

INITIATIVE

USAID partnered with the Conrad N. Hilton Foundation, World Vision, and several other international organizations to form the West Africa Water Initiative (WAWI), a \$41 million program to provide water supply, sanitation, and hygiene services in Ghana, Mali, and Niger. Partners are working nationally and locally to increase access to safe water and sanitation through wells, alternative water resources, and latrines. The alliance also builds awareness of waterborne diseases and promotes sustainable water management through community-based outreach. In 2008, partners will evaluate the possibility of replicating WAWI's successes in other regions.

“Where there is no clean water and sanitation, millions of children die each year, and millions of people become blind unnecessarily and suffer debilitating diseases. Our board chose water and sanitation as a priority, as we felt it was where we could have maximum impact on the most lives.”

—Steven Hilton
Chairman, President, and Chief Executive Officer
Conrad N. Hilton Foundation



FINANCE ALLIANCE FOR SUSTAINABLE TRADE

Guaranteeing Preharvest Trade Credit for Coffee Cooperatives

CHALLENGE

Many small-scale specialty coffee farmers in Latin America and East Africa struggle to compete in the worldwide coffee market. Because they often cannot get the financing they need from local banks to properly invest throughout the production cycle, local middlemen can purchase coffee at harvest time at prices that do not allow producers to expand their businesses or, in many cases, even provide enough for their families. But with growing global demand for higher-quality, higher-priced natural products such as specialty coffee, farmers have opportunities to significantly boost their incomes through access to credit, international market linkages, and price premiums for environmentally friendly production.

INITIATIVE

The Finance Alliance for Sustainable Trade (FAST) partners USAID with alternative lenders such as EcoLogic Finance and other socially responsible importers, roasters, and independent ecolabeling and social auditing organizations. The groups work together to increase timely access to financing for farmer cooperatives whose products are grown, harvested, and processed in ecofriendly ways. Loans are made directly to cooperatives that have signed agreements with buyers. The cooperatives can then secure cash on hand to pay farmers as soon as they deliver their crops. The business model not only finances cooperatives but also links them to final buyers such as Green Mountain Coffee Roasters and Starbucks—companies committed to securing the sustainable supply of a global commodity whose production and trade provides a livelihood for millions in the developing world.

RESULTS

- 4,000 small farmers in Latin America benefited from \$3 million in loans in 2002
- A \$5.7 million trade credit in 2003 assisted 18 coffee farmer organizations in Latin America
- 55 producer organizations in Latin America and East Africa benefited from \$10 million in loans in 2004
- 100 percent increase in lending volume recorded in 2003–04 at a 99 percent loan repayment rate
- 6,300 farmers to benefit from a \$2 million loan guarantee for East Africa

PARTNERS

EcoLogic Finance
Green Mountain Coffee Roasters
Starbucks Coffee Company



“Access to affordable credit is critical to the long-term sustainability of the specialty coffee industry and the livelihoods, families, and communities of small-scale coffee farmers. We share USAID’s support of the innovative lending programs offered by EcoLogic Finance as one of the important ways Starbucks seeks to enhance the lives of the people with whom we do business.”

—Sue Mecklenburg
Vice President, Starbucks Coffee Company

RAINFOREST ALLIANCE

Bringing Environmentally and Socially Responsible Products to Market

RESULTS

- Since 2004, about \$446 million of certified bananas, coffee, and timber have been sold
- 1.6 million hectares are now certified according to the Rainforest Alliance's strict environmental and labor standards
- 20,000 permanent jobs and 50,000 temporary jobs were created
- Stakeholders invested \$44 million to support the alliance

PARTNERS

Chiquita
Earthsources
ECOM Coffee Group
Gibson Guitars
Global Building Products
International Wood Specialties
Kraft Foods
Mayorga Coffee Roasters
Procter & Gamble
Rainforest Alliance
Volcafe Coffee Enterprises
D.R. Wakefield

CHALLENGE

Millions of farmers and agricultural workers engage in practices that degrade the natural resources on which they and their children depend. Demand for timber and additional farmland also fuels deforestation, which threatens the tens of thousands of species that inhabit the remaining forests of Mexico and Central America. A lack of robust market linkages, meanwhile, causes the region's farmers, agricultural workers, and forest communities to suffer the vagaries of low or unstable prices for their coffee, bananas, or wood products.

INITIATIVE

USAID, the Rainforest Alliance, and various local NGOs have partnered with dozens of companies to create market incentives for socially and environmentally responsible production of coffee, bananas, and forest products in Mexico and Central America. By certifying a growing number of farms and forestry operations that meet its rigorous standards, the Rainforest Alliance promotes steady improvement of working conditions and environmental health. It also guarantees companies and consumers that their dollars are rewarding responsible practices. The goals of the three-year project include certifying 300,000 acres of forest and farmland and increasing the sale of certified products—13,000 tons of coffee, 90 million boxes of bananas, and 4 million board feet of wood products.

“In addition to gaining improved morale and productivity on our farms, we have saved money in the process. Everybody wins—the workers, the company, and the environment.”

—Bob Kisting
President and Chief Operating Officer, Chiquita Fresh Group



INTERNATIONAL ACCOUNTING ALLIANCE

Promoting Investment through Globally Recognized Standards

CHALLENGE

In the former Soviet Union, selling goods for more than the cost of production was officially designated “profiteering” and subject to criminal prosecution. Bookkeepers and formal accountants tracked quantities of goods and materials, not costs or income. Such basic concepts as profit, loss, depreciation, and other modern accounting standards were therefore virtually unknown when the region began its transition to a market system. The use of accounting principles based on old, Soviet standards and the dearth of accountants skilled in international accounting principles has discouraged foreign investment and slowed the region’s integration into the global economic community.

INITIATIVE

Through the Certified International Professional Accountant (CIPA) Alliance, the world’s leading accounting organizations partnered with USAID, the CIPA Examination Network, and 22 professional accounting associations across Eurasia to promote international standards, practices, and principles of accounting throughout the region. By developing and offering training, examination, and certification of professional accountants in local languages, the alliance is improving the business environment for U.S. and European investors, facilitating regional economic harmonization, and further integrating former Soviet republics into today’s global economy.

RESULTS

- Over 50,000 CIPA courses taught and 40,000 exams administered
- More than 3,000 accountants in Eurasia earned practitioner status
- 85 percent rate of female participation in the certification process

PARTNERS

American Institute of Certified Public Accountants
Certified General Accountants’ Association of Canada
CIPA Examination Network
International Accounting Standards Committee Foundation
International Council of Certified Accountants and Auditors
International Federation of Accountants
Thunderbird Center for Business Skills Development
United Nations Conference on Trade and Development—Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (UNCTAD/ISAR)



“Enterprise accountants and financial market regulators throughout the former Soviet Union need international financial reporting standards in order to serve new investors and showcase their skills in the global marketplace. Our partnership with USAID is what makes this possible.”

—Kurt Ramin
Director, International Accounting Standards Board
Global Chair, XBRL International

ALLIANCE FOR JUNIOR ACHIEVEMENT

Mentoring Arab Youth

RESULTS

- 900 Jordanians currently teach over 40,000 university students
- 4,000 students mentored each year in Egypt and Lebanon
- Over 1,000 students mentored in Bahrain since late 2004
- 160,000 youth to be reached by 2008 and 1 million by 2015

PARTNERS

Citibank
ExxonMobil Corporation
Junior Achievement
Middle East Partnership Initiative

CHALLENGE

Arab nations have some of the world's youngest populations, but also suffer from the highest youth unemployment rates. Though an estimated 100 million jobs must be created over the next 20 years, national education systems are not adequately preparing graduates for the needs of today's workplace. The problem is particularly acute in oil-producing states that fail to adequately diversify their economic base.

INITIATIVE

INJAZ Arabia is a private sector-led initiative to mentor and cultivate the next generation of business leaders. Leading corporations, USAID, the Middle East Partnership Initiative, and ministries of education have joined forces to send senior-level corporate volunteers to share their professional experience, know-how, and success stories with Arab youth. Students learn how the banking sector supports business and industry, how to manage their own budgets and follow stocks, and even set up a model enterprise with a business plan from company startup to final liquidation. Both in-country and multinational businesses have shown increasing interest in participating in INJAZ as an exercise in good corporate citizenship.

“The region’s business and political leaders face a significant challenge where three-quarters of our population is under the age of 30. I am proud to be associated with a youth-oriented organization that positively affects the lives of thousands of students and inspires them to explore the world of business, entrepreneurship, and leadership.”

—Her Majesty Queen Rania Al-Abdullah of Jordan
INJAZ Arabia Regional Ambassador



BUSINESS CREATION ALLIANCE

Expanding Rural Production in Tanzania

CHALLENGE

Tanzania is among the world's poorest countries: 70 percent of its population live on less than \$1 per day and 35 percent suffer from chronic hunger. Furthermore, 80 percent of Tanzania's poverty is in rural areas, where entire families barely survive on small subsistence farms. Tanzania has many poor but entrepreneurial farmers, but limited exposure to life beyond their local villages makes it hard for them to know what type of businesses to start. Even with sound or innovative business ideas, would-be entrepreneurs do not have access to appropriate and affordable capital equipment.

INITIATIVE

USAID's Business Creation Alliance supports expansion of KickStart, a nonprofit business-creation social venture, from Kenya to Tanzania. By selling revenue-generating items at affordable prices, the alliance transforms rural smallholder producers living at subsistence levels into small business owners, employers, and wealth creators. One of the revenue-generating items is the Super MoneyMaker irrigation pump, which can retrieve water from up to 23 feet below ground and irrigate as many as two acres. Through use of the pump, farmers who once grew food only for their extended families can now grow high-value crops such as fruits and vegetables in as many as four cycles per year. Farmers then sell the surplus in the dry season, when prices are high and supply is low. The Nike and Case Foundations, in addition to providing cash resources, have contributed marketing and business planning expertise to the alliance.



RESULTS

- KickStart business model created 50,000 new businesses or 800 new businesses per month, resulting in \$52 million a year in new profits and wages generated by new businesses
- Estimated wealth generated by KickStart technologies equivalent to 0.6 percent of Kenya's and 0.3 percent of Tanzania's reported gross domestic product
- Tanzania expansion expected to result in 7,000 new businesses and \$5 million annual profit
- KickStart products mass produced by six engineering companiesStart equipment in Kenya and Tanzania

PARTNERS

Case Foundation
John Deere Foundation
KickStart
The Lemelson Foundation
Mulago Foundation
Nike Foundation
SC Johnson

“By supporting inventive, pro-environment technologies that lead to jobs, The Lemelson Foundation seeks to help people in developing countries build sustainable livelihoods and expand the opportunities available to them. Through partners such as Kickstart and USAID, we are making concrete progress towards these goals.”

—Julia Novy-Hildesley
Executive Director, The Lemelson Foundation

URBAN DEVELOPMENT ALLIANCE

Improving Service Delivery through Partnership

RESULTS

- In the initial two years, the alliance attracted additional funding amounting to more than seven times the original budget
- Additional corporations expressed interest in joining or replicating the USAID-SUAL model
- The “Week of Good Deeds” in the town of Shelekhov included a town clean-up, an anti-drug campaign, free legal and psychological consultations, and fundraising activities for local charities
- Towns simplified the process for business licenses and added courses for business and economics into the local school curriculum

PARTNERS

Barents Secretariat
Charles Stewart Mott Foundation
Eurasia Foundation
Siberian-Urals Aluminum Company

CHALLENGE

Since the fall of communism and the end of central economic planning, the quality of life in industrial towns throughout Russia has suffered. With less support from the federal government, local governments have struggled to provide their citizens with adequate social infrastructure. As more and more people are tempted to look for a better life in larger, more prosperous cities, local industries face a shrinking labor market and the prospect of increased operational costs and decreased efficiency. Local governments may turn to local industry for financial help to fund municipal services, but communities often do not know the best ways to put these resources to work when funding is available.

INITIATIVE

USAID, Siberian-Urals Aluminum Company (SUAL), and other partners are working together to improve the quality of life in selected cities where SUAL, one of Russia’s largest companies, is the main industrial presence. Through a comprehensive cross-sectoral approach to local development in pilot cities, the alliance implements a wide range of community development activities, from improving municipal planning to modernizing healthcare to developing civil society. Not only does SUAL intend to expand these activities to all the regions where it operates, but the alliance is a model of public-private cooperation with the potential to carry on the USAID legacy once Russia has graduated from development assistance.

“[This partnership] complements SUAL’s commitment to support economic and social development in the regions where [the company] operates. I am sure that our future cooperation with USAID will further support the growth of civil society and benefit all the citizens of Russia.”

—Victor Vekselberg
Chairman of the Board, SUAL Holdings



MINDANAO OFF-GRID RENEWABLE ENERGY ALLIANCE

Lighting Up Muslim Mindanao

CHALLENGE

The southern portion of the Philippines archipelago has experienced civil unrest and violence for three decades. Economic neglect and exploitation fueled a guerrilla movement in this predominantly Muslim area. In 1996, a peace agreement between the national government and the insurgents created the Autonomous Region in Muslim Mindanao, promising to bring social and economic development to the region. For such development to occur, however, electric lighting needs to be cheaper and more widely available. The islands of the southern Philippines are a great distance from the national energy grid, which handicaps income-generating activities and causes the local population to rely on carbon dioxide-emitting kerosene lamps.

INITIATIVE

The USAID Alliance for Mindanao Off-Grid Renewable Energy (AMORE) provides solar-powered compact fluorescent lights and street lamps in the Autonomous Region in Muslim Mindanao in the southern Philippines. Community development groups maintain these renewable energy systems. AMORE's efforts are helping to increase outdoor safety and significantly increase business and educational productivity by allowing work and study to extend into evening hours. The energy systems also enable aspiring entrepreneurs to pursue new small business projects such as mat-making and other local crafts.

RESULTS

- Sustainable, renewable solar energy and microhydro systems to be established in at least 405 remote rural communities, serving 15,545 homes
- Solar-powered compact fluorescent lights installed in target areas cost 70 percent less per month to operate than kerosene lamps
- Every 30 households electrified mitigate at least 10 tons of carbon dioxide waste

PARTNERS

Autonomous Region in Muslim Mindanao
Kingdom of the Netherlands
Mirant Philippines Corporation
Philippines Department of Energy
Shell Solar
Sunpower



“The AMORE partners truly are working together to make this a new age of enlightenment for the remotest communities. And it is high time. With the advanced technologies of today, no one should be left in the dark.”

—Francis J. Ricciardone
Former U.S. Ambassador to the Philippines (2002–05)

ALLIANCE FOR RESTORATIVE JUSTICE, COEXISTENCE, AND PEACE

Bringing Reconciliation to Colombia

RESULTS

- Legislation for demobilizing and reintegrating former combatants influenced by restorative justice model
- Five new restorative justice centers established to serve hundreds of marginalized urban households
- Some 3,500 rural households provided with conflict management training and agricultural extension and marketing services to prevent domestic and community violence and improve livelihoods
- Humanitarian law and restorative justice curriculum introduced at Colombian universities
- Some 120,000 people were direct beneficiaries of the alliance

PARTNERS

Corporación Valle en Paz
Fundación AlvarAlice
Fundación Corona
Fundación Paz y Bien
Javeriana University Cali
Synergos Institute

CHALLENGE

In many countries where USAID works, judicial and penal systems based on traditional principles are overwhelmed and, in some cases, dysfunctional. This is especially the case in Colombia, where half a century of guerilla warfare in rural areas has challenged the ability of the justice system to reintegrate former combatants into civil society. High levels of crime and domestic violence in some urban areas also tax the ability of the traditional retributive justice system to successfully rehabilitate offenders and prevent the recurrence of conflict and violence.

INITIATIVE

The Alliance for Restorative Justice partners USAID with several Colombian institutions to introduce restorative justice to Colombia in order to mitigate the lasting impacts of the country's troubled history. By applying the restorative justice model pioneered in South Africa, Northern Ireland, and other postconflict settings, the alliance provides a way for Colombia to meet its future by healing the wounds of its past. A highly effective application of restorative justice has been to enable gang members and other juvenile offenders to recommit to peaceful lives within their communities. This approach can also be replicated in other countries in Latin America. Fundación AlvarAlice and its partners have championed the concept of restorative justice in order to carry on the legacy of the Garcés Echavarría family's commitment to Colombia's social development.

“The central concern [of restorative justice] is not retribution or punishment...[but rather] the healing of breaches, the redressing of imbalances, the restoration of broken relationships, a seeking to rehabilitate both the victim and the perpetrator, who should be given the opportunity to be reintegrated into the community he has injured by his offense.”

—Archbishop Desmond Tutu



THE INTERNATIONAL SMALL GROUP AND TREE PLANTING ALLIANCE

Building Community in Africa and Asia

CHALLENGE

Unsustainable human activity—such as slash-and-burn farming and firewood collection—has depleted millions of acres of forest cover in Africa. Removing trees exposes the ground to drying winds and rainfall until the topsoil is eroded. Farmers then move to other land, clear trees, and repeat the destructive cycle until local ecosystems fail. This yields drought, famine, increased incidence of disease (including HIV/AIDS), and eventual collapse of once sustainable communities. Few alternatives exist for those trapped in these devastated landscapes.

INITIATIVE

The International Small Group and Tree Planting Program (TIST) responds to problems initially expressed in 1999 by Tanzanian subsistence farmers participating in small group sessions facilitated by faith-based community development outreach. TIST offers participative encouragement, training, organization, technology, and accountability that centers on tree planting to restore healthy ecosystems and sustainable rural communities. By building on local successes, TIST empowers rural village groups to improve their lives and the environments in which they live. TIST participants measure and record their progress with battery-powered global positioning systems (GPS) and personal digital assistance (PDA) technologies. Results are then made available at www.tist.org.

RESULTS

- Small groups expanded from 40 to over 2,500 in Tanzania, Kenya, India, and Uganda
- 15 million trees planted
- Dozens of personnel trained to use PDA and GPS technologies
- 20,000 small-group participants learned about preventing HIV/AIDS and responding to the sick and orphaned

PARTNERS

Clean Air Action Corporation
Dow Chemical Company Foundation
Institute for Environmental Innovation
The World Bank Group



“Through our partnership with USAID, TIST small groups are proving that, with encouragement and training, they can transform their local landscape, improve their health, start up the economic ladder, and go beyond sustainable development. They are creating a better world for their children and grandchildren.”

—Ben Henneke
President, Clean Air Action Corporation and TIST Cofounder

ALLIANCE FOR CONTINUOUS IMPROVEMENT IN THE CENTRAL AMERICAN WORKPLACE

Building Industry Competitiveness

RESULTS

- Conditions improved in over 40 factory workplaces
- Improved industry competitiveness, productivity, and global profile
- Increased potential for foreign direct investment by multinational apparel manufacturers
- Trained 257 workers and managers in Nicaragua and Guatemala representing 28 factories with 30,000 workers
- Strengthened dialogue between business, unions, and governments
- Stakeholder consultations conducted with over 60 organizations in the six participating countries and 20 organizations outside Central America

PARTNERS

Development Alternatives Inc.
Gap Inc.
International Textile, Garment, and Leather Workers' Federation
Social Accountability International
Timberland
Wal-Mart

CHALLENGE

January 2005 marked the end of global textile quotas, threatening as many as 450,000 jobs in Central America's maquila sector—labor-intensive economic development zones that employ mostly women who live a few paychecks away from poverty. If global textile production continues to shift to lower-cost but also lower-standard locations, labor standards might worsen as factories experience pressure to remain competitive by whatever means necessary. The collapse of the sector and lowering of labor standards could disrupt regional stability. Major apparel retailers, meanwhile, continue to seek industry-wide, voluntary initiatives leveraging their purchasing power and relationships with manufacturers to integrate labor standards throughout the supply chain.

INITIATIVE

The Alliance for Continuous Improvement in the Central American Workplace partners USAID with major global apparel companies, international and local NGOs, and garment workers unions. The objective is to improve the lives of workers and communities by increasing the competitiveness of the apparel and textile sector in Central America and the Dominican Republic. With \$5 million in cash, tested tools, and expertise, the alliance carries out customized, factory-based trainings with workers and managers, designs integrated factory management systems, trains ministry of labor inspectors, and fosters enhanced dialogue among key stakeholders. The effort helps suppliers meet the increasing demand for apparel produced under working conditions that meet international standards and strengthens the resiliency of a sector key to the future economic and political stability of the region.

“More engagement is needed by all actors—buyers, suppliers, and the public sector—to implement better business practices in more efficient, sustainable, and humane work environments.”

—Kevin M. Burke
President and Chief Executive Officer
American Apparel & Footwear Association



FOODS RESOURCE BANK ALLIANCE

Linking American Communities with the World's Poor

CHALLENGE

Each day, more than 850 million people around the world experience extreme poverty and hunger. Poverty and hunger cause chronic undernourishment that can result in stunted growth and increased susceptibility to illness. Sustainable household food security programs, especially those linked to removing agricultural market inefficiencies, are needed to enable impoverished communities to meet their most basic needs.

INITIATIVE

The Foods Resource Bank Alliance with USAID fosters food security in poor communities worldwide with community growing projects in the United States. These projects produce corn, soybeans, or wheat, which are sold domestically to fund local food security programs around the world through faith-based organizations such as Church World Service, Lutheran World Relief, and Catholic Relief Services. In sub-Saharan Africa especially, the alliance has helped families produce or earn enough to feed the entire household. Families often have enough left over to barter for staples or sell in order to buy basic medicines or send children to school. In the process, the alliance encourages philanthropy and builds positive relationships between U.S. communities and communities in need overseas.

RESULTS

- 300 women in The Gambia have increased their income from less than a dollar to \$1.50 per day selling vegetables from five community gardens
- In Kenya, over 6,000 families on barely subsistent diets now consume up to three meals a day, thanks to water harvesting, drought-resistant crops, and animal husbandry
- In Serbia, 300 displaced families now produce enough food to last through winter and share 11 percent of their harvest with local soup kitchens

PARTNERS

Foods Resource Bank
W.K. Kellogg Foundation
U.S. farmers, agribusinesses, churches, and communities



“Our ultimate satisfaction has not only been supporting a food security program in The Gambia, but also experiencing the relationship of community, spirit, cooperation, and brotherhood between our two churches. Sharing our bounty with a community in need has richly blessed us all.”

—Rev. Rich Kirchherr
Congregational United Church of Christ, Western Springs, Ill.

SUSTAINABLE FOREST PRODUCTS GLOBAL ALLIANCE

Seeding Markets for Responsible Forest Products

RESULTS

- Over 1,000 producers in Latin America trained to better access the U.S. market for responsibly harvested tropical wood products
- Over 3,000 producers in Latin America trained in sustainable forest management
- More than 32 million acres of forest committed to credible certification
- The Global Forest and Trade Network has nearly 400 participating companies with over \$30 billion in annual sales of forest products
- Office Depot, Staples, and other buyers have exercised purchasing power to halt destruction of key elephant and tiger habitats in Indonesia

PARTNERS

The Home Depot
Metafore
USDA Forest Service International Programs
World Wildlife Fund

CHALLENGE

Forests provide sustenance and income to more than 1.6 billion of the world's poor in addition to serving as watershed protection, habitats for critical animal and plant species, and carbon storage. But forests and ecosystems around the world are being destroyed at unprecedented rates due to unsustainable forestry practices, destructive and illegal logging, and conversion to other land uses. The World Bank estimates lost revenue to governments due to illegal logging at \$5 billion annually, with a further \$10 billion lost to the economies of less-developed countries. Additionally, multinational corporations wish to develop sustainable supply chains through voluntary codes of conduct and other measures, but often struggle to do so if committed and credible civil society partners are not engaged in the process.

INITIATIVE

USAID, World Wildlife Fund, Metafore, the U.S. Department of Agriculture (USDA), and major corporations that purchase wood products have united to form the Sustainable Forest Products Global Alliance, a \$23 million initiative to advance a new model for forest conservation and community development that rewards responsible forest management in the global marketplace. Through innovations such as the Global Forest and Trade Network, IKEA, Office Depot, and other corporate buyers are linked to responsible producers of wood products around the world. Educational outreach, meanwhile, informs producers and retailers about integrating environmental concerns for sustainable growth and development into the global supply chain. The Sustainable Forest Products Global Alliance is an important component of the President's Initiative Against Illegal Logging.

“To satisfy our corporate commitment to forest conservation, the Home Depot depends on a reliable supply of wood products from responsibly managed forests. That’s why supporting the Sustainable Forest Products Global Alliance makes so much sense for us.”

—Ron Jarvis
Vice President of Merchandising, The Home Depot



GLOBAL DEVELOPMENT ALLIANCE

REPRESENTATIVE LIST OF RESOURCE PARTNERS

Note: This is not a comprehensive listing of all partners. For a complete list, please refer to the Global Development Alliance website at www.usaid.gov/gda.

Partner

BUSINESS
 ABN AMRO
 AES Corporation
 Agriflora Ltd
 Allied Bank
 American International Group
 AT&T Wireless Ltd.
 Aveda
 Aventis
 Barclays Bank PLC
 Bayer
 Bristol Myers Squibb
 British Petrol
 Cadbury Schweppes
 Cargill
 Carrefour
 Caterpillar International
 Chevron
 Chiquita Brands International
 Cisco Systems, Inc.
 Citigroup
 Colgate-Palmolive
 ConocoPhillips
 Corporate Council on Africa
 Credit Suisse
 Danone
 De Beers
 Dell
 Delta Airlines Incorporated
 Deutsche Bank
 DHL
 EcoLogic Finance
 Electricite de France Intl
 Ernst & Young
 Esso
 Evensen Dodge Intl
 ExxonMobil
 Fitch Ratings, Ltd.
 France Telecon
 Gap Inc.
 General Electric
 General Mills
 General Motors
 GlaxoSmithKline

Partner

GlobalGiving
 Goldman Sachs Group, Inc.
 Green Mountain Coffee Roasters
 H.J. Heinz Company
 Hess
 Home Depot
 Honest Tea
 HP
 HSBC
 IBM
 IKEA
 Intel
 Johnson & Johnson
 Kraft Foods
 Land O'Lakes
 Levi Strauss
 Liz Claiborne
 Lowe's
 Lucent Technologies
 Mars
 Merck & Co.
 Meridian
 Microsoft
 Millstone
 Mitsubishi
 Monsanto
 Morton Salt Company
 Motorola
 MSN
 MTV Networks
 Nestle
 Nike
 Novartis
 Nutriset
 Oracle
 Pfizer
 PricewaterhouseCoopers
 Royal Ahold
 Scholastic
 Shorebank Corporation
 Siemens
 Starbucks Coffee Corp.
 Sun Microsystems

GLOBAL DEVELOPMENT ALLIANCE

REPRESENTATIVE LIST OF RESOURCE PARTNERS

Partner

Synergie S.A.
 Tata Consulting Engineers
 The Coca-Cola Company
 The Hershey Company
 Timberland
 Toyota Automotive Co.
 Unilever
 Visa
 Vodafone
 Voxiva
 Western Union
 Westwood One Radio Network
 Wyeth
 Xerox
 Yahoo
 Young and Rubicam

FOUNDATIONS

Charles Stewart Mott Foundation
 African Development Foundation
 Alvarallice Foundation
 AmeriCares
 Bill and Melinda Gates Foundation
 Brown Foundation
 Case Foundation
 Clinton Foundation
 Conrad N. Hilton Foundation
 David and Lucille Packard FDN Elizabeth Glaser Pediatric AIDS Foundation
 Eurasia Foundation
 Exxon Mobil Foundation
 Ford Foundation
 GE Foundation
 German Marshall Fund
 Hewlett Foundation
 International Youth Foundation
 Kellogg Foundation
 Levi Strauss Foundation
 Lions Club International Foundation
 Morgan Stanley Foundation
 MTV Europe Foundation
 National Fish and Wildlife Foundation
 Nike Foundation
 Rockefeller Foundation

Partner

Ronald McDonald Foundation
 Schwab Foundation for Social Entrepreneurship
 Shell Foundation
 Skoll Foundation
 The Acumen Fund
 The Dow Chemical Company Foundation
 The Prince of Wales International Business Forum
 The Steven Case Foundation
 William and Flora Hewlett Foundation
 World Cocoa Foundation
 Calvert Foundation

HIGHER EDUCATION

Catholic University of Angola
 Cornell University
 Dartmouth Medical School
 Georgia Institute of Technology
 Harvard University
 Johns Hopkins University
 Kabul University
 Notre Dame University
 Pennsylvania State University
 Purdue University
 University of Ghana
 University of Illinois
 University of Lagos
 University of New York
 University of Zambia
 Yonsei University

TRADE ASSOCIATIONS

American Chamber of Commerce
 Federation of Cocoa Commerce
 Global Forum for Health Research
 U.S. Energy Association

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Telephone: 202-712-4418

www.usaid.gov/gda

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