



USAID



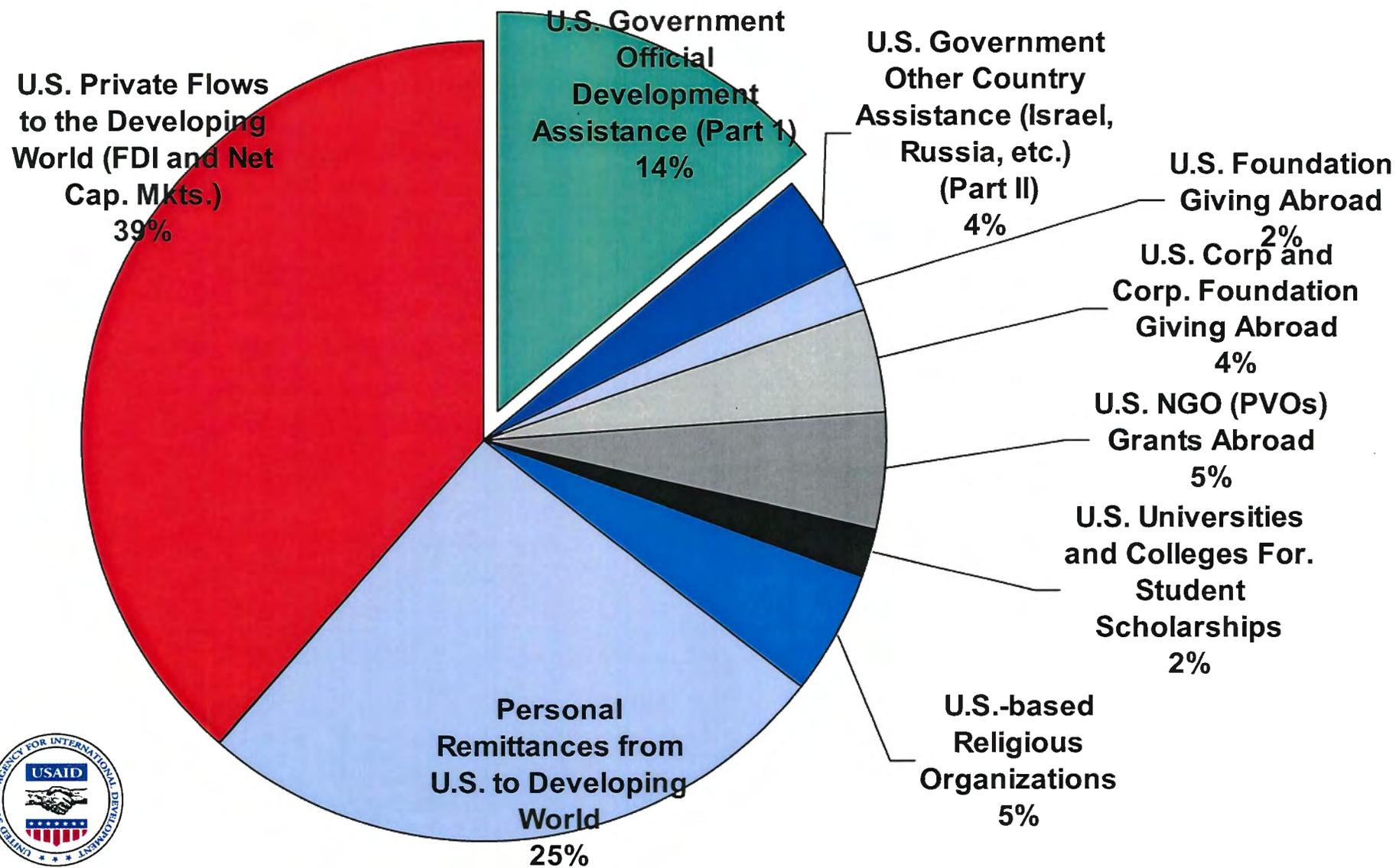
The United States Agency for International Development



Global Development Alliance Africa Mission Director Conference November 2002



U.S. Total Flows to the Developing World in 2000: \$70.5 BN



Global Development Alliance Business Model

- The Bush Administration is strongly committed to public-private alliances, especially post Johannesburg.
- Secretary of State Colin Powell introduced GDA as “a fundamental reorientation in how USAID sees itself in the context of international development assistance, in how it related to its traditional partners and in how it seeks out and develops alliances with new partners”.
- When Secretary Powell speaks about USAID, he often cites GDA and public-private alliances.
- Administrator Natsios made GDA one of USAID’s pillars in the reorganization, reflecting the increased emphasis on public-private alliances as an important business model to effectively deliver foreign assistance.
- Both the National Security Council and the White House are interested in several alliances.



Summary of Alliance Activity in 2002

Agency-wide over 75 alliances with USAID funding totaling approximately \$130 million

- **Africa Bureau leads the Agency in number of alliances, with about 1/2 of USAID's 2002 alliances.**
- **Africa benefited from Pillar Bureau-funded alliances of at least \$10 million.**
- **This is in addition to the Africa Bureau Incentive Fund (\$30.0 million): This funded 35 regional and country-specific alliances in 17 African countries in these sectors: Agriculture, Environment, Education, and Economic Growth.**



Africa FY 2002 Alliances by Sector and Value

In \$ (000)

<u>Sector</u>	<u>Value</u>
Agriculture	10,800
Economic Growth	8,400
Education	5,800
Environment	5,000



**Alliances Funded from FY 02 Africa Bureau Incentive Fund
(\$ 000)**

Africa	Agriculture	Environment	Education	Econ Growth	USAID Funds	Other Funds	Leverage	Comments
Regional	500				500	1,000	1 to 2	Alliance to Cut Hunger in Africa
Regional	408	1,492			1,900	3,800	1 to 2	Sustainable Tree Crop (Cocoa) Program
Regional	1,000			308	1,308	5,000	1 to 3.3	Agribusiness in Sustainable African Natural Plant Products
Angola	1,000				1,000	2,000	1 to 2	
Benin	320				320	1,127	1 to 3.5	Alliance for Agricultural Diversification with Sunflowers
Ethiopia			350		350	591	1 to	Ethiopia Opportunity Investment Centers - Community-based Educational System
Dem Rep Congo		558			558	???	1 to 1.7	Biodiversity Conservation
Regional	500				500	???		Foods Resources Bank Alliance
Central Africa Regional		500			500	???		Central Africa Regional Program for the Environment
Regional			1,959	3,041	5,000	???		Africa Digital Competitiveness Alliance
Ghana	400				400	560	1 to 1.4	Food Industry Development Program
Guinea		1,000			1,000	???		Sustainable Tree Crops
Madagascar		450			450	550	1 to 1.2	Madagascar Minerals
Mali	892				892			Markala (Mali) Sugar Project Alliance
Mozambique	750				750	875	1 to 1.2	Building Business Linkages & Developing Business Skills
Namibia			500		500	???		Using Technology to Address Expected Teacher Shortages
Namibia			1,000		1,000	900	1 to .9	Promote Information Communication Technology in Namibian Schools
Nigeria				500	500	628	1 to 1.3	Alliance for Information Technology in Bauchi State
Nigeria	400				400	500	1 to 1.3	Cassava Competitiveness Alliance
Nigeria	320				320	300	1 to .9	Crop/Livestock Competitiveness Production, Marketing, and Processing
Rwanda			1,091		1,091	1,371	1 to 1.3	Information Communication Technology for Basic Education
S. Africa				500	500	???		Housing Finance and HIV/AIDS
S. Africa				900	900	in-kind		Community-based Development in Disadvantaged Communities
S. Africa				555	555	1,120	1 to 2	African Development Alliance on Intellectual Property Rights
Senegal			600		600	2,064	1 to 3.4	Information Technology in Education for Children and Youth
Sierra Leone				996	996	???		Peace Diamonds Alliance
RCSA	1,000				1,000	1,105	1 to 1.1	Sustainable Technologies for Control of Heartwater Disease
REDSO	1,810				1,810	1,500	1 to .8	Coffee Alliance
REDSO	500				500	2,870	1 to 5.7	Livestock Trade Commission for the Greater Horn of Africa & Arabian Peninsula
Uganda		1,000			1,000	???		East African Fine Coffees
Uganda			300		300	1,800	1 to 6	Jinja District Schools Partnership
West Africa Reg.				1,250	1,250	2,050	1 to 1.6	West Africa Power Pool
Zambia				350	350	700	1 to 2	Information Communication Technology Skills Building
Zambia	500				500	180	1 to .4	Zambia Milk Collection Centers Alliance
Zambia	500				500	???		Zambia Warehouse Receipts Program (WRP)
SUBTOTAL	10,800	5,000	5,800	8,400	30,000			

* Note: Alliance funding approved by Africa Bureau for FY 02. Obligation status may be uncertain for some alliances.

Africa in FY 2003

- Africa Bureau does not intend to create a separate incentive fund, but has adopted a policy of “no alliances, no allowances”.
- Missions will incorporate public-private alliance model into normal planning and budgeting process.
- Collectively, Africa Bureau expects missions will allocate \geq \$30 million to public-private alliances in FY 03.
- Missions can count alliances funded with DA and CSH accounts.
- Missions submit planned or on-going alliances when submitting obligation matrix.
- Africa budget allowances will go out once AFR/DP has final sector controls; has OYB matrices with bilateral/field support allocation split that ties to sector controls; and has confirmed mission plans for alliances.



Mali Sugar Mill Alliance

- Partnership between USAID, Schaffer (a Sugar Mill construction and engineering firm), and the Government of Mali (Institute of Rural Economy & Office du Niger)
- Schaffer contacted USAID/Mali and USAID/Washington
- GDA Secretariat researched Schaffer through Due Diligence tools and found them to be a very reputable potential partner (winner of State Department Corporate Excellence Award)
- Alliance carries out research to develop best strains of sugar cane for new Mali sugar mill to meet internal consumption and export opportunities
- Schaffer receives research grant from USAID for half of research costs. Schaffer and Government of Mali will cover the other half (1:1 leverage)
- The CO officer in Mali worked to develop this innovative award to a private company (Corp. does not profit from grant)

With this research, Mali lays ground work for \$270 MM sugar operation, employing 5,000 people



USAID/Peru Economic Service Centers Alliance

- USAID/Peru, Buenaventura Mining Company, and a local consortium including an NGO and a local private university have partnered to operate an Economic Service Center in an example of “franchising” a successful model that USAID had developed
- USAID/Peru operates 10 Economic Service Centers (ESCs) as part of its poverty reduction program
- ESCs provide access to current and projected information about markets, financial and transportation services, facilitate commercial contacts between buyers and local producers as well as providing technical assistance to local entrepreneurs
- Buenaventura Mining Company sought to create an ESC in the Huancavelica department to contribute income and employment opportunities in the area as part of its on-going policy to assist communities where the mine operates
- Buenaventura is providing up to \$1.1 mm and USAID/Peru is providing up to \$140,000 thus leveraging USAID at almost 8:1



The Bird's Head Regional Development Initiative

- Alliance established among British Petroleum (BP), USAID, DFID and local governments, NGOs, universities and private sector in West Papua, Indonesia. Alliance leverages two dollars of private money for every USAID dollar.
- Local economy benefits from large energy investment (Tangguh plant), but seeks to diversify income and avoid a “gold rush” in a diverse region with fragile eco-systems.
- West Papua suffers from lack of skilled personnel to plan and manage this new wealth, and currently has little development in other sectors.
- Initiatives are being developed in forestry, fishing, eco-tourism and agriculture.
- USAID supports responsible, sustainable regional development planning while building the capacity of local civil society to manage environmental resources.
- BP develops Tangguh in an environmentally and socially responsible manner, and supports projects that strengthen local business and human resources.



Global Development Alliance Contacts

For further information on USAID's Global Development Alliance, visit the GDA website at <http://www.usaid.gov/gda/> or contact:

Holly Wise: hwise@usaid.gov; (202) 712-4406

Curt Reintsma: creintsma@usaid.gov; (202) 712-4018

Lorie Dobbins: ldobbins@usaid.gov; (202) 712-1063

Bryan Kurtz: bkurtz@usaid.gov; (202) 712-1607

Jack Hawkins: jahawkins@usaid.gov; (202) 712-5941

Dan Runde: drunde@usaid.gov; (202) 712-0438

Mary Tyler Holmes: mholmes@usaid.gov; (202) 712-4418

