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The Millennium Alliance Project

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October 1, 2001 to September 30, 2004

First Year Annual Report

Submitted to USAID Bureau of Democracy, Conflict and
Humanitarian Assistance, Office of Private and Voluntary
Cooperation
by INMED
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I. Overview of Year One and Changes Subsequent to Detailed Implementation Plan (DIP)

A. Introduction

The Millennium Alliance is an INMED project funded through a grant from the United States Agency for International Development (USAID), Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA), Office of Private and Voluntary Cooperation (PVC).

The Millennium Alliance is currently positioned to further the goal of ensuring that a portion of the wealth created by the private sector is available to address the social and economic development issues of the societies in which the products of these businesses are produced and consumed. Private sector wealth plays an increasingly pivotal role in achieving development objectives established by individual countries and by bilateral organizations such as USAID. USAID's support is based on the premise that development initiatives will be successful when countries are able to tap into the resources of the private sector as well as government.

From the beginning, the Millennium Alliance program has been an experiment—a process of trying new ideas and discovering what worked and did not work. This need for flexibility and the ability to try new ideas continues into the current grant period.

The Millennium Alliance program covered by the current detailed implementation plan (DIP) began October 1, 2001 and ends September 30, 2004. The intermediate beneficiaries of our program are PVOs and NGOs who receive new private sector resources for their development programs. The end beneficiaries are the people in the communities where those development programs are implemented.

B. Objectives, Activities, Targets and Indicators

Progress made toward meeting the specific objectives of the project is summarized below. The progress related to each objective, related activities and targets described in the Detailed Implementation Plan are as follows:

Objective 1: Identify an average of two new private sector funding sources for non-profit international development programs per project year.

Related Activities:

- Advertise services and establish a selective direct marketing effort aimed at corporate executives
 - 30 new corporate contacts were made during the first project year. Of these, ten continue to be in dialogue with the Millennium Alliance about partnership possibilities (See Appendix III for list.)
- Identify PVO/NGO partners and projects through research and consulting, building on current relationships and referrals
 - A total of 117 PVO/NGO contacts were made during the first project year, including presentations, personal meetings, conference contacts and informal discussions with potential partners (See Appendix III for list). These contacts

were used, along with internet search and document review, to enhance our knowledge of potential PVO and NGO partners and their programs. In addition, we began to build a knowledge base about host country NGOs through our contacts with the U.S.-based PVO community.¹

- Identify opportunities for companies wanting to contribute to on-going projects
 - This activity is less successful than the others under Objective 1. Companies tend to already have in mind the type of program they want to invest in, or they want to be involved in designing a program that will contribute to company interests as well as community needs. The Corporate Employee Volunteer Package we developed will provide a method of linking to ongoing community programs through volunteer efforts.
- Research and present information for corporations regarding PVOs/NGOs with requested expertise/background
 - We are currently doing this for Bayer/Aventis related to Malaria prevention.
- Organize and facilitate meetings with corporations, PVOs/NGOs and USAID
 - We organized a number of meetings with these stakeholders. Not all of them involved all three groups.

Target: An average of two new private sector funding sources identified each year.

Indicator: Record of new funding sources identified over the life of project. At least four new funding sources were identified during the first project year. These include: Monsanto Fund, Exxon/Mobil, Lockheed Martin and Nestle. While final funding commitments are not made, ongoing discussions are promising. A presentation of a strategy prepared for the Monsanto Fund will be made in January.

Objective 2: Establish an average of one new funded corporate/PVO/NGO partnership per project year.

Related Activities:

- Facilitate meetings between potential partners (assuring good match in advance)
- Work with PVC to broker partnerships sought elsewhere in USAID
- Assist PVO/NGOs with policies/capability statements to close negotiations with companies
- Provide direct technical assistance as needed to facilitate communication among partners and assure success
- Fully develop Website and other communications tools to support opportunities for PVOs/NGOs and business

¹ NOTE: our PVO colleagues have been very cooperative in helping make linkages to indigenous NGOs who are their partners. We have also begun to collect country-wide registers of indigenous NGOs whenever possible.

Target: An average of one funded business/PVO/NGO partnership brokered and facilitated each year (minimum). No partnerships were formed.

Indicator: Record of partnerships that result in new funding for development programs. None are complete thus far. Three, including MonteCristi, Polo Ralph Lauren and Monsanto, have project activities and budgets under consideration.

Objective 3: Develop and disseminate partnership tools, models, and best practices.

Related Activities:

- Work with other PVC partners to identify and articulate best practices, models, and tools for successful business partnerships
 - Several meetings with PVOs resulted in verbal agreements to post their partnerships experiences on the Millennium Alliance Website. For example, IDR and World Vision are currently preparing case materials for this purpose.
- Review work being done by other donor groups on business partnerships and incorporate that learning into tools and best practices
 - Discussions and extensive document research on partnership experiences, lessons learned and tools were ongoing during the first project year. For example, an ongoing collaboration with the International Finance Corporation (IFC) of the World Bank Group was established. The directors of IFC's Oil, Gas, Mining and Chemicals Department invited the Millennium Alliance to attend IFC's initial meetings with potential corporate clients in order to present our partnership approach. In addition, our meetings with the United Nations Global Compact Office resulted in their invitation to collaborate on the planning of 6 pilot partnership programs during calendar year 2003.
- Document best practices and models
 - See comments on previous bullets
- Develop, test, and revise partnership facilitation tools
- Formalize tools and models
 - A Corporate Volunteer Training and Management package was developed by the Millennium Alliance and published by INMED in response to inquiries from our corporate clients about how they could get their local employees in developing countries involved in development activities. SBT, the second largest TV network in Brazil, part of Grupo Silvio Santos in 2003 has expressed interest in having the package personalized for their company and their employees in 2003. Polo Ralph Lauren also expressed interest in presenting this package to their Mexican and Central American suppliers.
- Hold Millennium Conference
 - We still intend to hold this conference, but are proposing that it be in the third year of the project rather than the second year. (See this report, Section III—Changes in Project Design.)
- Develop outreach for offering services to rest of USAID through PVC

- PVC arranged meetings for the Millennium Alliance with GDA, EGAT/HCD/IT, the Africa Bureau and the Afghanistan Task Group during the first project year.

Target: Guidelines for facilitating partnerships developed and standardized

- specific work will begin on this during year two as part of a contract currently being negotiated with Polo Ralph Lauren.

C. Benchmarks from the Detailed Implementation Plan (DIP)

Adding to the summary of Year One, each of the benchmarks for Year One identified in the Year One Work Plan of the DIP are presented below, with a report of whether we achieved each year one benchmark.

<p>First Year program management benchmarks:</p> <ul style="list-style-type: none"> • Budget based management in place YES • Activity tracking system in place linked to monitoring and evaluation and INMED MIS YES • Strategic plan in place YES 	<ul style="list-style-type: none"> • Full staff complement in place Support position not funded, INMED support provided part time from general funds in the interim. • Fee for services structure in place YES • First year matching funds commitment achieved NO • Consultant roster in place YES
<p>First Year marketing and partnership development benchmarks:</p> <ul style="list-style-type: none"> • Two new corporate contacts made per month YES—total = 36 • Fee for services generates \$50,000 NO = \$13,000 • Millennium Alliance working with four partnerships likely to result in resources for PVO/NGO programs YES= Polo Ralph Lauren, Lockheed Martin, Exxon-Mobil, Monsanto Fund, Montecristi Consortium 	<ul style="list-style-type: none"> • Dominican Republic Children Are the Future program on schedule—grants contracts made to PVOs/NGOs NO—due to global economic conditions and setbacks following 9/11. This is now projected to start first quarter of calendar year 2003, at which time a revised plan and schedule of activities will be developed.
<p>First Year information and communication benchmarks:</p> <ul style="list-style-type: none"> • One training model and materials prepared and marketed YES—Corporate Employee Volunteer Training and Management • USAID entities aware of Millennium Alliance services— Limited • Website is an effective public information tool Limited—INMED is currently advertising for a full-time website manager, who will also serve the Millennium Alliance • PVC’s PVO partners more knowledgeable about Millennium Alliance services YES –50 contacts during year one 	<ul style="list-style-type: none"> • Multilateral donors more knowledgeable about Millennium Alliance services YES IFC, UN Global Compact, WB • Conference funding sources identified NO • Millennium Alliance public information (non-Website) materials available and used YES--limited

Because the Millennium Alliance Project is not an organizational capacity-building matching grant, we do not have organizational development objectives. We can report, however, that the

monitoring and tracking systems developed by the project have strengthened INMED's organizational capability in monitoring and evaluation and in the development of a comprehensive management information system. Further, project efforts will enhance INMED's leadership in partnership development work. In regard to the latter, during calendar year 2002, INMED as an organization strengthened its commitment to partnerships for development as an organizational goal. Our mission statement was adapted to read "INMED's mission is to strengthen communities worldwide by building partnerships and programs that enable men, women and children in communities around the world to improve their lives." Late in 2002, INMED created a new "partnership marketing" group for the organization. The first goal for this "partnership marketing" group is to generate resources to meet INMED's matching commitment for the Millennium Alliance. A "program operations group" was also created, with the responsibility of generating foundation and other donor funding, which will also contribute to INMED's matching commitment for the Millennium Alliance Project. For example, we have begun to seek foundation funding for the Millennium Alliance Conference, which is part of the original plan of work. (See Section III for a proposed change in scheduling of this Conference.)

D. First year highlights for the Millennium Alliance

As per our original work plan and subsequent marketing strategy, we focused on the corporate sectors of food and agribusiness, energy and information technology during project year one. In each of those sectors:

- We initiated dialogue with a large cross section of private sector multinationals, trade associations and NGOs. We hope that some percentage of these ongoing dialogues will take root and flourish.
- We identified and presented several programmatic strategies to private sector groups that would generate complimentary win/win operating benefits for companies and social outcomes/benefits for communities in which they operate. These conversations are ongoing and will continue into year 2.
- We identified and presented several programmatic strategies to private sector groups that do not operate in the priority sectors but who could greatly benefit from establishing sector-related programs in developing countries or regions in which they operate. We developed collaborative partnerships concepts in which they might partner or co-sponsor such programs with priority sector multinationals with complimentary interests in the target region – all based on partnering with local NGOs for program fulfillment. These conversations are ongoing and will continue into year 2.
- We identified and presented several prospective relationships with Trade Associations active in priority sectors in which we collectively could access, market and eventually provide special investment and NGO partnership services to their membership base. This is part of Millennium Alliance's channel marketing strategy similar to our initiatives with IFC and the UN Global Compact.

- We identified and presented to several NGO's and PVO's that specialize in priority sector programs some prospective methodologies on developing and nurturing private sector funding for collaborative partnerships.
- We developed a set of “due diligence guidelines” for working with corporations so that NGOs can have confidence that the Millennium Alliance has gathered basic information about corporations that are potential partners. Those guidelines are based on USAID/GDA guidelines and the Sullivan Partnership Principles developed for the United Nations Global Compact Program. The guidelines are attached in Appendix IV of this report.

II. Constraints, Unexpected Benefits, and Lessons Learned

A. Constraints

The major constraint faced by the Millennium Alliance during the first project year was an overall decline in corporate giving. “Giving USA²” reports an overall decline of 2.3 percent in charitable contributions. Corporations decreased their giving by 14.5 percent—a bigger percentage drop than for any other type of donor. This drop reflects the drop in corporate profits and subsequent cost containment measures across all sectors, which was one of the year’s biggest stories. The economic downturn during 2002 was extremely problematic when we were trying to increase corporate resources for development. For example, Johnson & Johnson, who had invested almost \$35,000 in partnership development over the previous two years, decided not to move forward with the anticipated program in five Asian countries. Another example is that the final transfer of funding for the Monticristi partnership program was delayed by a year, partially due to new regulations placed on the international transfer of monies post September 11, 2002. Also, global economic conditions discouraged some original investors and new supporters/investors, including a Spanish hotel chain, were brought into the consortium, necessitating renegotiations. Negotiations should be concluded in the first quarter of 2003.

Another constraint faced by the Millennium Alliance at the end of project year one is our lack of name recognition in the corporate partnership field and a modest budget that precludes major investment in the kinds of publications and advertising to which companies typically respond, and highly visible participation in corporate conferences.

B. Strategies for overcoming constraints

In order to address the constraint of reduced corporate giving, we will narrow our focus to industries that are “doing well” and that are expanding in developing countries. These include the extraction (mining and energy), agribusiness, retail and food industries in particular. MA will create marketing strategies and allocate dedicated resources to develop these groups as a client base. In addition, we believe that private foundations represent an important client base for the Millennium Alliance, particularly if we accentuate those focusing on multi-sector partnerships and innovative forms of philanthropy, such as venture philanthropy.

² Published by the American Association of Fundraising Counsel Trust for Philanthropy. Prepared by the Center for Philanthropy at Indiana University, 2002.

We are addressing the constraint of lack of name recognition by marketing our services and expertise with other groups who are seen as leaders in corporate partnership. For example, as mentioned earlier, we currently work with both the IFC and the U.N. Global Compact Group, both of whom provide an opportunity for more visibility with the corporate sector. We have attended several partnership conferences during the past year: 1. Ethical Corporation USA 2002 Conference, Theme: "How to Manage Corporate Responsibility. Why it is Essential and How to Make it Pay"; 2. The BSR 10th Annual Conference, Theme: "Return on Responsibility: Realizing Value for Business and Society"; and 3. The Kenan Institute in Washington –Annual Conference, Theme "Corporate Leadership in the Community: Corporate Leadership in an Era of Globalization"; each of which resulted in new contacts. In year two, we will focus on developing some publications and being on conference programs. A number of less formal presentations this past year were well received by multilateral groups, PVOs and corporate audiences. We also will integrate the Millennium Alliance more fully within the INMED structure in order to deploy a broader range of INMED expertise and promote sustainability. We can then focus more on the 17 year history of INMED of forming and facilitating corporate partnerships, and can build on opportunities such as the 2002 Latin American Business Summit in Brazil, where INMED was one of only three NGOs invited.

C. Circumstances that facilitated implementation and/or produced unexpected benefits.

The main factor that facilitated our discussions with potential corporate partners and multilateral institutions during the first project year was our ability to formulate and articulate partnership concepts from a business perspective. This solidified our collaboration with IFC and led to our participation with the U.N. Global Compact Group.

We also learned that our best possibilities for partnership facilitation involved local or indigenous NGOs, or local affiliates of U.S.-based PVOs, because corporations see their corporate responsibility and corporate citizenship issues as local to the operation's sites. This led to an increased focus on linking to local NGOs. As one way of building on this lesson, we have begun to develop tools and materials for working with local NGOs in developing countries to help them build their capacity to seek corporate funding. We anticipate doing this with funding from corporations through fee for service arrangements. For example, Polo Ralph Lauren is interested in initiating dialogue with NGOs in three countries in Latin America—this would result in a model (tools and materials) that they could then use in other regions.

D. Financial Report

III. Changes in Project Design

A. Measurable Objectives

We are not requesting any changes in our three objectives. Even though, as a result of lessons learned during the first project year, we anticipate more emphasis on working with local NGOs, this does not require a change in objectives, since the original objectives include both PVOs and NGOs.

As we move forward with planning for the proposed partnership conference, we plan to change the scope of the conference to a small invitational conference that will focus on the contributions

of corporate partnerships to civil society. We are preparing proposals for the Johnson Foundation at Wingspread, which co-sponsors small conferences by providing facilities, logistical support, lodging and meals; the Kellogg Foundation, which has a special program area to support “Unleashing New Resources and Approaches for Philanthropy and Volunteerism”; the Heritage Foundation, which cosponsors conferences and provides facilities; and the Carter Center and the Aspen Institute, both of whom have supported INMED’s Millennium Conferences in the past. Because we are restructuring the conference to be smaller and are also seeking a co-sponsor to provide facilities, the overall budget will be considerably smaller than originally planned. We now see this as a working conference that can contribute to the knowledge base about the relationship between corporate partnerships and civil society. We plan to seek corporate support to attract major speakers and to produce conference proceedings or a book on the topic.

B. Budget Changes

C. Year Two Work Plan

Millennium Alliance (MA) Work Plan Year Two						
Type of activity	Project Year 2002-2003					
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter		
Program management	administration				Staff performance review	
		Maintain and update consultant roster				
		Continual activity tracking and monitoring				
	planning	Revisit strategic plan and make any necessary adaptations				Review third year and make any necessary work plan revisions
		Revisit marketing and business plan and make any necessary adaptations—assess progress toward sustainability and fully develop business plan				
	reporting	Quarterly financial report to USAID	Quarterly financial report to USAID	Quarterly financial report to USAID	Quarterly financial report to USAID	Quarterly financial report to USAID
		Year one report to PVC				
		Ongoing dialogue with PVC				
		Make presentation to INMED's Board of Directors	Update for Board of Directors	Update for Board of Directors	Update for Board of Directors	
	<p>Second Year program management benchmarks:</p> <ul style="list-style-type: none"> • Second year revised matching funds commitment achieved • MIS including activity tracking system up to date • Fees for service increased • Personnel review system in place and used • Strategic and marketing plan up to date • Consultant roster maintained 					

Millennium Alliance (MA) Work Plan Year Two						
Type of activity	Project Year 2002-2003					
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter		
Marketing and partnership development	Sectoral marketing	Agribusiness Continue current strategy development project with Monsanto		Follow up as needed		
		Polo Ralph Lauren Continue partnership development and prepare specific plan of work for fees in helping them establish dialogue with NGOs in one pilot location, probably in Mexico				
		Food Continue approaches and discussions with Nestle, Chiquita, others	Prepare fee-based concept papers for prospective Food Sector clients	Solicit input from potential PVO/NGO partners—develop partnership program options	Continue partnership development and brokering with IT firms and PVOs/NGOs	
		Extraction/Energy Continue partnership facilitation with Exxon Mobil Draft partnership concept paper for British Petroleum at their request	Continue partnership development and brokering with energy firms and PVOs/NGOs		Follow up as needed	

Millennium Alliance (MA) Work Plan Year Two				
Type of activity	Project Year 2002-2003			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Marketing and partnership development	Multilateral collaboration	IFC—continue to develop collaboration with IFC Gas, Energy and Mining Division and MSE Division—design one specific activity for working together		
		UN Global Compact Program—continue to development collaboration opportunities—participate in one international planning meeting for one of their pilot program countries—probably in the Caspian Region	participate in one international planning meeting for one of their pilot program countries—probably Columbia	
Second Year marketing and partnership development benchmarks: <ul style="list-style-type: none"> Two new corporate contacts made per month Fee for services generates \$200,000 Millennium Alliance working with four partnerships likely to result in resources for PVO/NGO programs 		<ul style="list-style-type: none"> Dominican Republic Children Are the Future program on revised schedule Two corporate/PVO/NGO partnerships operationalized, with funding in place one activity in place in collaboration with IFC 		

Millennium Alliance (MA) Work Plan Year Two				
Type of activity	Project Year 2002-2003			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Information and communication	Website content and structure reviewed and revised—continued Web development and enhancement	Press releases and notices in appropriate publications	Millennium Alliance speaking engagements and presentations in appropriate forums	
	Prepare proposals for Millennium Alliance Conference	Preparations for Conference		
	Continue outreach to USAID entities to offer MA services	Develop dialogue, alliances and possible joint ventures with other groups involved in corporate social investment		
	Market model and training materials for corporate involvement of employee volunteers in partnership programs—hold training for at least one corporation		Hold training for at least one corporation	
	Ongoing development and dissemination of best practices, models and tools for business partnerships			
Second year information and communication benchmarks:				
<ul style="list-style-type: none"> • One training model and materials prepared and marketed • USAID entities aware of Millennium Alliance services • Website is an effective public information tool • Funding obtained for international conference • Millennium Alliance public information (non-Website) materials available and used 				

APPENDIX III
BUSINESS ORGANIZATIONS, PVOs AND FOUNDATIONS CONTACTED,
OCTOBER 1, 2001-OCTOBER 1, 2002

1. 3M Corporation
2. AMEAC 
3. Aventis, now Bayer Environmental Science 
4. American International Agribusiness Alliance, L.L.C.
5. Booz Allen Hamilton Inc.
6. Boren Foundation
7. British Petroleum 
8. Bunge Corp. 
9. Cargill Public Affairs
10. Cera Products Inc.
11. Chiquita Brands International 
12. Conoco, Inc
13. CTI Technologies, Inc.
14. EDS
15. El Paso Energy Int.
16. EPRI-PEAC
17. Exxon Oil 
18. Grocery Manufacturers Association of America
19. IMRES
20. International Finance Corporation 
21. Johnson and Johnson
22. Land O'Lakes, Inc.
23. Lockheed Martin 
24. Montecristi Consortium 
25. Monsanto Fund 
26. Nestlé 
27. Perdue, Inc. 
28. Pfizer
29. Phase V Communications
30. Polo Ralph Lauren 
31. Procter & Gamble
32. Renewable Resources, LLC
33. Rockefeller Foundation
34. SBT
35. The Fertilizer Institute
36. United States-China Business Council
37. World Initiative for Soy in Human Health/American Soybean Association

 This symbol shows active dialogue in process

The Millennium Alliance Project
PVO/NGO Organizations Contacted, October 1, 2001-October 1, 2002

1. Academy for Educational Development
2. ACDI VVOCA
3. Agribusiness Council and AgriEnergy Roundtable
4. Aid to Artisans, Inc.
5. American International Agribusiness Alliance, L.L. C.
6. American Red Cross
7. Canadian International Development Agency (CIDA)
8. CARE
9. Christian Children's Fund
10. Citizens Network for Foreign Affairs
11. Citizens Network for Foreign Affairs
12. Commercial Market Strategies
13. Committee for Rehabilitation Aid to Afghanistan
14. Cooperative Housing Foundation
15. Counterpart International, Inc
16. Credit for Habitat
17. CTI Technologies
18. Department of Commerce
19. Digital Partners
20. EPRI-PEAC
21. Frank Hawkins Kenan Institute of Private Enterprise, University of NC
22. George Washington University
23. Greenstar
24. INTERACTION
25. International Development Center
26. International Executive Service Corps
27. Legal, Institutional and Regulatory Reform of the Water/Wastewater Sector in Egypt
28. National Council for Agricultural Education
29. National Telephone Cooperative Association
30. Opportunity International
31. Organizational Futures, Inc.
32. PACT
33. Pearl S. Buck International
34. PLAN International
35. NGO Networks for Health
36. Project Concern
37. SEEP Network
38. SID
39. Techno Serve
40. The CATALYST Consortium
41. The Center for Reproductive and Family Health (Vietnam NGO)
42. The Conservation Company

43. TransCentury Associates
44. TRANSCRIPT
45. TVT Associates
46. United States-China Business Council
47. Volunteers of America
48. Wildlife Management Institute
49. Winrock International
50. World Council of Credit Unions, Inc.