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ASSESSMENT OF USAID'S GLOBAL DEVELOPMENT BUSINESS MODEL

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- An Assessment of USAID's Global Development Alliances (PN-ADA-850)
- The Global Development Alliances: Expanding the Impact of Foreign Assistance through Public-Private Alliances (PN-ACT-008)
- Assessment of USAID's Global Development Business Model (PN-ADB-896)
- Assessment of USAID's Global Development Alliances in the Bureau for Asia and tne Near East (PN-ADB-770)

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ASSESSMENT OF USAID'S GLOBAL DEVELOPMENT BUSINESS MODEL

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Abbreviations and Acronyms

AFR	Bureau for Africa (USAID)
ANE	Bureau for Asia and the Near East (USAID)
APS	annual program statement
ASO	Alliance Support Office
CDIE	Center for Development Information and Evaluation (now DEI)
DA	development assistance
DCA	development credit authority
DCHA	Bureau for Democracy, Conflict, and Humanitarian Assistance (USAID)
DEI	Office of Development Evaluation and Information (USAID/PPC)
EGAT	Bureau for Economic Growth, Agriculture and Trade (USAID)
FDI	foreign direct investment
FSN	Foreign Service national
GDA	Global Development Alliance
LAC	Bureau for Latin America and the Caribbean (USAID)
LPA	Bureau for Legislative and Public Affairs (USAID)
MIF	Mission Incentive Fund
MSI	Management Systems International
MOU	memorandum of understanding
ODA	official development assistance
PPC	Bureau for Policy and Program Coordination (USAID)
PVC	Office of Private Voluntary Cooperation (USAID)
PVO	private voluntary organization
RFA	request for applications
SO	strategic objective

Executive Summary

This report assesses USAID's Global Development Alliance (GDA) business model for creating public-private alliances. The GDA initiative, announced in 2001, promotes strategic alliances between USAID and private- and public-sector partners as a business model for achieving U.S. Government development assistance objectives.

The purposes of the assessment are to 1) share learning, specifically on the current state and process of developing alliances, particularly in the missions; and 2) inform decisions, specifically concerning the secretariat, funding allocation and field support, and initiating and managing alliances.

The GDA business model is alive and working in all regions of the world.

USAID has made remarkable accomplishments in designing and starting significant GDA activities. The purpose of GDA is now well known, the encouragement to enter into public-private partnership is well established, and examples of successful alliances now exist.

Summary Conclusions, Lessons, and Recommendations

The assessment reaches certain conclusions, general lessons, and specific recommendations. Important conclusions include the need to incorporate best practices into GDA alliance implementation.

- *Engage the partners' core business.* The best GDA alliances involved the core business interests and senior managers of private-sector resource partners. The strongest alliances evolve beyond corporate social responsibility.
- *Begin alliances with written agreements.* Resource partners should negotiate and sign agreements that include a common understanding of the planned development impact and the roles, responsibilities, and contributions of each partner.

- *One size does not fit all.* Alliances must be crafted to meet the specifics of the local situation to maximize development results.

- *Invest the time to build good relationships from the beginning.* Alliances are relationships and require the trust and understanding that come with direct and honest communication about the objectives and motivations of each partner.

- *Give more attention to monitoring and evaluation.* Alliances are new and complex. There is much to learn and use in making decisions to strengthen future assistance.

Recommendations Overview

USAID has already made remarkable accomplishments in designing and starting significant GDA activities. The purpose of GDA is well known, encouragement to enter into public-private partnerships is well established, and successful examples of alliances exist.

1.Declare success.

The GDA business model is alive and working in all regions of the world.

2. Accept GDA for what it is.

The GDA business model is an evolving and increasingly important business methodology that is taking hold at the country, regional, and global levels. Its potential is huge, but realizing this potential will take time and effort.

3. Move to Phase II.

The assessment of this team is that it is time to enter into Phase II, building on the successes of the GDA Secretariat and the importance of this USAID initiative.

Specific Recommendations

Moving to Phase II requires a redefinition of GDA alliance, and changes at the Agency—and GDA Secretariat—level.

1. Modify the definition of a GDA alliance.

Redefine what constitutes a GDA; important components will still include sharing risk with partners; sharing planning, responsibility, and decisionmaking between partners; and joining with new partners and new approaches. However, the team recommends a fourth criterion—leveraging development impact through private-sector partner contributions.

The team urges USAID to focus more on impact than on level of inputs.

2. Incorporate GDA into the Agency's mainline operations.

- *Strategy.* GDA should be emphasized as a specific priority of USAID strategy and highlighted more explicitly in the joint strategic thinking of both the Department of State and the Agency, in the strategic frameworks of the regional bureaus, and in the country strategic plans.

- *Funding.* The Agency and bureau GDA incentive funds should be eliminated. For special seed capital, the Agency should consider maintaining a small reserve to pursue very high-priority GDA opportunities.

- *Obtaining services.* The Agency should devise a new way of entering into alliances that does not depend on current Agency grant and contracting rules. The Agency's contracting staff has been creative in applying existing rules, but the Agency needs a new way of doing business that can support this new business model better.

- *Human resources.* The Agency should focus more on recruiting, training, motivating, and advancing GDA champions. Steps can be taken in these four areas to enhance the pool of staff that have the background, skills, and attitudes to be GDA advocates and practitioners.

3. Move the GDA Secretariat to Phase II.

The structure and responsibilities of the GDA Secretariat should be modified. The GDA Secretariat should be phased out over a reasonable transition time (such as one year) and be succeeded by two elements in Phase II of GDA development. The first element should focus on advocacy and the second on alliance support.

- *Senior advocate.* The advocate position should serve as the internal and external central point of contact for top-level GDA issues and initiatives and the main interlocutor between USAID and the private sector on issues concerning the GDA. The advocate should be responsible for proactive outreach to the private sector, especially to large private-sector organizations at a global level. In addition, the advocate can be the primary proponent and communicator of GDA issues with the U.S. Congress. Finally, the advocate should promote the GDA within the Agency.

- *Support*. The Phase II GDA effort should also focus on supporting, from a central point, the various Agency operating elements, particularly individual missions with GDA activities. The Agency should institute a knowledge management system to promote information sharing throughout USAID. It should also emphasize evaluation and monitoring of alliances to capture learning to share and provide good information for decisionmaking. The Agency should formalize a support network for missions, including technical assistance to help establish and run GDA alliances. In addition, an informal mentoring system should be formed and encouraged.

Assessment of USAID's Global Development Business Model

Introduction

This report assesses USAID's Global Development Alliance (GDA) business model for creating public–private alliances. The GDA initiative, announced in 2001, promotes strategic alliances between USAID and private- and public-sector partners as a business model for achieving U.S. Government development assistance objectives. The initiative seeks to link the rapidly expanding stream of private financing to the U.S. Government's development assistance programming, maximizing the impact of both. Participation in such strategic alliances enables each partner to bring its comparative advantage to bear on development problems of common interest and concern. The Agency defines a GDA alliance as a public–private partnership with shared risk and responsibility, joint planning and decisionmaking, new partners and new approaches, and an equal ratio of partner and U.S. Government funds.

The Global Development Alliance initiative, announced in 2001, promotes strategic alliances between USAID and private- and public-sector partners as a business model.

AirMac Alliance, Sri Lanka

Sri Lankan cities became increasingly motorized and dependent on diesel in the 1990s. Concerned about air quality in Colombo, Sri Lankan bus companies and government ministries formed an alliance with donors to collaborate in a fight against air pollution. Collectively, AirMac has contributed to an ahead-of-schedule ban on high-sulfur diesel fuels, a plan to convert three-wheelers to hydrogen fuels, and a vehicle emissions testing program, all of which will improve the air quality in Colombo. The alliance also worked with local media on a newspaper column that informs the public about air quality, health issues, and steps the public can take to stem pollution.

Stakeholders and Purpose of the Assessment

This worldwide assessment was coordinated by USAID's central evaluation office, the Center for Development Information and Evaluation (CDIE), on behalf of the Agency. The GDA Secretariat and USAID's Bureau of Asia and the Near East (ANE) were key participants; funding for the study was provided by CDIE and the ANE Bureau. In early discussions, these stakeholders defined the purposes of the assessment as follows:

- *Share learning* on the state and process of developing alliances, particularly in the missions, to understand the longer term role of public-private alliances in achieving USAID's objectives
- *Inform decisions*, specifically decisions concerning the secretariat, Washington-led decisions regarding funding allocation and field support, and mission-led decisions on initiating and managing alliances

In addition, this assessment is expected to inform decisions by USAID and its partners on how and when to use alliances for maximum impact.

Methodology

Mixed-Method Approach

Assessment methods, discussed further in annexes 2 and 3, included

- a review of background documents and materials
- more than 60 interviews in Washington
- a web-based survey of randomly selected holders of usaid.gov e-mail addresses
- brief field visits to 10 countries identified as active in alliances in their regions (Ghana, India, Indonesia, Jordan, Mexico, Morocco, Peru, Philippines, Sri Lanka, and Zambia)

The field teams worked with missions in each country to select alliances to examine. The team started with lists from the GDA database of 2002 alliances managed by the secretariat's support contract. Interviews with mission staff identified other alliances, some from 2003. In some cases, the presence or absence of field staff steered teams to particular choices. Because teams visited countries for only a week, they had to focus on just a few alliances. Therefore, they brought back only partial information on other alliances. In all, the field teams identified 50 alliances in the 10 countries.

The randomized survey was added to the assessment methods to capture data from missions that were not as active in alliance building and therefore did not receive visits. The survey was anonymous to encourage objective responses to the question of whether public-private alliances and strategic partnering have permeated the Agency.[1] This mixed-method approach enabled the team to draw a more comprehensive picture of the state of GDA in the field.

To identify best cases and best practices, countries receiving field visits were chosen because they had the greatest number of alliances in the GDA database of 2002 alliances (except for Morocco and Jordan). European and Eurasian countries were excluded from the field visits for reasons that will be discussed. The regional distribution of the countries studied was also shaped by the availability of ANE Bureau funds for the assessment of countries in that region. Morocco and Jordan were added by the ANE Bureau for geographic balance although they did not have the depth of experience of the other ANE countries.

1 The scope is included as annex 1 and discussed in the methods annexes.

Timber Alliance, Indonesia

Indonesia's tropical rain forests are being lost at an alarming rate, mainly because of demand for timber and pulp in Asia. Although two-thirds of logging in Indonesia is illegal, law enforcement is ineffective, and a large percentage of logging is carried out by the military and government. This alliance provides an opportunity to approach the problem from a new angle—the demand side—by encouraging major retailers such as Ikea, Home Depot, and Lowe's to exclude illegally cut timber from their supplies and for USAID to work with Japan and China, important markets for exported Indonesian timber.

Background

The GDA was proposed by a team of career professionals in the Agency preparing for the transition between the Clinton and Bush administrations.

Built on best practices from decades of USAID partnering and the New Partnership Initiative, the GDA emphasized the leveraging of private capital and brought additional USAID staff and funding resources to the effort. GDA was embraced by Administrator Andrew Natsios and announced by the Secretary of State. The GDA business model is one of the Agency's new tools for carrying forward the basic principles of the Monterrey Conference on Financing for Development. GDA has also provided examples of USAID's response to the objectives laid out at the World Symposium on Sustainable Development in 2002.

The GDA website answers the question "What is GDA?" in the following way:

> The GDA is USAID's commitment to change the way we implement our assistance mandate. GDA is USAID's response to the new reality of development assistance that recognizes that flows between the developed world and the developing world have changed. In 1970, 70 percent of official development assistance (ODA) to the developing world was from the United States Government and 30 percent was from the private sector. Today, 20 percent of the flows to the developing world are from ODA and 80 percent are from the private sector (including private sector, non-profit sector, and remittances). These changes in flows reflect the emergence of the private for-profit sector, and the non-governmental or so-called third sector, as significant participants in the development process itself. The Global Development Alliance serves as a catalyst to mobilize ideas, efforts, and resources of the public sector, the private sector and non-governmental organizations in support of shared objectives.

Secretariat

To advance the objectives of GDA and mainstream the public-private alliance business model throughout Agency operations, the Agency established the GDA Secretariat, a temporary unit reporting to the USAID Administrator. The scope of work specified an assessment not of the secretariat but of the GDA business model. The GDA Secretariat is a small office and does not manage alliances; it performs four critical functions:

- reaching out to prospective and current strategic partners
- providing in-house outreach and education
- addressing legal and regulatory issues, including due diligence
- advocating reform of Agency policies and practices when needed to facilitate the effective use of alliances in USAID programs

The secretariat is where private-sector partners can go to discuss alliances.

GDA incentive funds were set aside from FY 2002 and 2003 budgets to finance start-up alliances using the GDA business model. Proposals were generated from 1) unsolicited proposals; 2) discussions between the secretariat and potential partners, i.e., solicited proposals, including in 2002 a request for proposals and in 2003 an annual program statement (APS); 3) a pillar or regional bureau that did not have sufficient resources from its own budget; and 4) proposals that were global in nature. Alliance proposals were submitted to the secretariat and reviewed by a panel for innovative public-private partnerships. One review criterion was that U.S. Government funds be matched by private-sector resources; this was called a 1:1 leverage ratio. This criterion was rigorously applied.

In FY 2002, the first full budget year after the GDA was announced, an estimated $15.6 million was allocated to the GDA incentive fund. The GDA incentive fund was the source of funding for several large, high-profile alliances, such as the International Youth Foundation Youth Employment alliance, Coffee Corps, and the Sustainable Forest Products Alliance with World Wildlife Fund.

In FY 2003, the secretariat changed the funding approach. The GDA Secretariat introduced the APS, a solicitation instrument that had not been widely used in USAID and had never been used to solicit proposals across such a broad range of technical sectors and organizational units. The APS outlined broad criteria to be met by applicants in developing alliance proposals. Proposals that met these criteria, and that a Bureau or mission expressed interest in implementing, were accepted for funding, subject to funding constraints. Proposals reviewed and accepted under the APS procedure could be funded from the GDA incentive fund, from other bureau funds, or from individual mission funds. All FY 2003 GDA incentive fund resources for new alliances were allocated to proposals received through the APS procedure (although some funds were used for the expansion of FY 2002 alliances).

The secretariat supported in-house outreach and education by providing more than a dozen training programs of two or three days each to Agency staff in Washington and overseas. It also presented modules on GDA in other USAID training programs; all together, this training reached some 530 people. Two other outreach approaches were the online tool kit for alliance builders and providing advice and support to field missions. This support and incentive funds will be discussed in the Findings and Conclusions section.

Part of the secretariat's role of advancing the GDA was to inculcate the business model throughout the Agency. This required each bureau to develop an approach to supporting the initiative.

- *Africa (AFR).* In FY 2002, the bureau set aside $30 million for GDA alliances in Africa. The field missions submitted more than 50 proposals for funding. These were reviewed by a committee, which selected 35 alliances for funding, including Ghana's Food Industry Development Program and Zambia's Warehouse Receipts Program.

  In FY 2003, the bureau took a different approach. Rather than setting aside funds for the GDA, it required each mission to develop alliances. The Africa Bureau budget office did not provide a mission's budget until the mission had demonstrated that it had developed alliances. In Agency jargon, this was the "no alliances, no allowances" approach. The bureau has a coordinator for GDA but has not provided significant technical assistance to the missions.

- *Latin America and the Caribbean (LAC).* The LAC Bureau's approach to building alliances included setting aside $10 million from the bureau's budget that was specifically for GDA alliances, in that sense similar to the secretariat's incentive fund. Rather than adding a burden on the missions to develop proposals, the Office of Development Resources designed four regional alliances in FY 2002 funded from those set-aside resources, including the Centers for Excellence in Teacher Training and Coral Reef Management.

  In FY 2003, the bureau again set aside another $10 million to fund ideas generated by the APS and expand earlier alliances. The LAC Bureau also attracted the largest share of secretariat funding in FY 2003, leading to much of the LAC setaside money being earmarked for environment programs.

  LAC Bureau had important support from a new Foreign Service officer in Guatemala with considerable private sector background. He has been visiting neighboring missions to provide advice and technical assistance.

- *Asia and the Near East (ANE).* The ANE Bureau's approach was double-pronged: create an incentive fund and support missions' efforts with technical assistance. ANE staff and the technical assistance provider conveyed the vision that bigger alliances were more likely to engage the senior management and core business interests of private-sector partners. It was believed that this approach would lead to the greatest commitment of the partner and, therefore, to the greatest impact as well as the best chance for sustainability. In practical terms, the ANE Bureau required a 2:1 leverage ratio for its incentive fund with at least part of the contribution in cash; this established the standard of what was considered a GDA alliance in the ANE Bureau.

  In FY 2002, ANE's setaside, the Mission Incentive Fund (MIF), supported alliances in six countries and two ANE global alliances with $20 million. Energy Wise India and the Bird's Head Alliance in Indonesia received funding in this way. In FY 2003, the bureau provided $14 million of incentive fund support for nine alliances. It eliminated the need for concept papers to apply for incentive funds and substituted phone interviews with partners to focus more on providing technical assistance to missions during the application process.

  The ANE Bureau hired a consultant to provide technical assistance to missions and help with the development of the GDA initiative in the bureau. To support missions active in early alliance building, it provided technical assistance to Indonesia, India, and the Philippines. Trips to Sri Lanka and Egypt have been completed, and several more will be made in the next few months.

- *Europe and Eurasia (E&E).* In spite of its long and innovative experience with public-private partnerships, the Europe and Eurasia Bureau had not been very active in the GDA initiative. It was excluded from participating in the GDA incentive fund because it is Freedom Support Act (FSA)- and Support for East European Democracy (SEED)-funded while the source of the incentive fund is development assistance (DA). The bureau therefore had to identify its own funding sources and develop its own approach. It thus got a slow start in GDA and had few alliances in the GDA database. The Europe and Eurasia Bureau has now developed a comprehensive business plan and set up an incentive fund of $15 million for two years.

- *Global Health*. The Global Health Bureau, a large technical bureau, has a long history with public-private alliances. The last several years have seen the creation of world-changing alliances in the health sector, many of them funded by the Gates Foundation. Resources for Global Health Bureau alliances dwarf funding for the rest of the Agency's alliances. Although the success and development impact of those alliances are undeniable, these alliances cannot serve as models. Field visits found appreciation for the development contribution of the NETMARK alliance for malaria control, the GAVI alliance for vaccines and immunizations, and the GAIN alliance for improved nutrition. Some missions benefited from Global Health Bureau alliances but had little knowledge or understanding of the process of developing or implementing these alliances to share with the team. In Washington, the assessment team learned that the Global Health Bureau struggles from some of the same procurement obstacles as the field alliances do (although often on a bigger scale).

- *Economic Growth, Agriculture, and Trade (EGAT).* The EGAT Bureau has a long history of participating in public-private partnerships, and the sectors in which it works are the most heavily represented in the alliances identified for inclusion in this report. One experienced EGAT agriculture officer reported "wanting to be a skeptic," but having been won over by an alliance he was required to manage. The Certified Forests and International Markets alliance (called the Timber Alliance by the Indonesia country team) and the West Africa Water Initiative were partially funded by EGAT. In FY 2002, the bureau provided $10–12 million for alliances. It is developing a new alliance, the Global Gene Bank Conservation Trust.

  The EGAT Bureau also has the Development Credit Authority (DCA). The Agency has taken the position that DCA-funded activities are essentially leveraged partnerships. Indeed, DCA is another innovative way to leverage private-sector capital and engage local financial institutions in "channeling resources to microenterprises, small and medium-scale businesses, farmers, mortgage markets," according to the DCA fact sheet. Yet not all DCA activities are GDA alliances. First, the concept of what constitutes a partner is different. For instance, using a local bank as an implementing partner by convincing it to expand its credit window in exchange for USAID bearing 50 percent of the risk does not necessarily make the activity an alliance, even if the bank brings major resources to the endeavor. If a significant bank group contacted USAID about a new credit line or a different way of mobilizing credit, the element for an alliance would start to be put into place. Shared management (i.e., joint planning and decisionmaking; shared responsibility and risk) also must be considered. Is the local mission really engaged, working with the implementing financial institution, or is it passively watching DCA pass by in the midst of other important tasks? GDA alliances are actively co-managed investments, as are the best—but not all—DCA activities.

  Automatically including DCA in GDA alliances emphasizes leveraging resources too heavily. DCA activities should be considered GDA alliances only if they meet all the criteria. Some may be very good candidates, but they will not all be GDA alliances.

  This assessment does not diminish the value of DCA and its ability to mobilize significant private capital. The assessment did not focus on DCA, but considered DCA activities in very few countries. GDA alliances should stand on their own merits and DCA activities (as well as other notable initiatives) should do the same.

- *Democracy, Conflict, and Humanitarian Response (DCHA).* Partnering with the private sector has long been at the core of DCHA's programs, and work done under the matching grant program evolved into some of the Agency's earliest public-private alliances. In addition, DCHA sponsored a program designed to identify opportunities for private voluntary organizations (PVOs) to partner with corporations and provide training in support of various aspects of corporate-PVO partnering, such as strategic giving and managing volunteers.

With the end of the matching grant program and the shift of focus to capacity building for indigenous PVOs, the bureau reports a greater challenge in finding promising alliance opportunities. Nevertheless, bureau leaders strongly support using alliances and are seeking new alliance opportunities. The bureau has sponsored GDA training throughout the bureau and issued a recent request for applications (RFA) for cooperative development: proposals that bring in significant new private sector funding will be awarded additional points. The bureau is in the early stages of implementing the capable partners program designed to help create partnerships at the local level between business and PVOs.

- *Office of Procurement* and *General Counsel*. As discussed at length in this report, procurement and competition were often cited as complicating factors in the development of alliances. The contracts office starts from the premise that it can make current procurement regulations work, relying on variations as necessary. It reported that if change is proven necessary, it is amenable to making changes.

Findings and Conclusions

The GDA concept has been accepted in the Agency

In response to Question 1 of the scope of work (Annex 1), the team investigated the extent to which the idea of public-private alliances has been inculcated in the Agency. In addition to this broad mandate, the team assessed how well the idea of GDA alliances, as a specific type of alliance, has been accepted throughout USAID.

Washington interviews, field interviews, and the survey found that staff acknowledged the potential of public-private alliances to achieve development impact. GDA was clearly recognized as a priority by Washington and field staff. The level of alliance activity in missions also indicated the extent to which these concepts have been accepted in USAID.

The anonymous random sample survey polled a broad spectrum of Agency staff and some partners. These were not necessarily associated with successful alliances like most of the missions visited by the field teams. The survey was sent to a random sample of usaid.gov e-mail addresses, including staff at all levels working in all areas, including support and administrative functions. Eighty-seven completed surveys were received, representing a 50 percent response rate. (Annex 3 describes the survey methodology.) To the question "Do you know what GDA is?", over half the respondents answered "yes," 25 percent responded "not really," indicating that they had heard of it but were not completely sure, and 18 percent answered "no." Considering that the sample included secretaries, all levels of Foreign Service nationals (FSNs), and some contractors, receiving negative answers from only one-fifth of respondents is good evidence of broad awareness of GDA.

Table 1. Staff Survey Responses: Appropriateness and Value of Public-Private Partnerships (in percent)

Survey Question	Survey Responses		
How appropriate a partner is the for-profit private sector for USAID?	"Not at all" and "Very little"	Midpoint	"Very appropriate" and "Totally appropriate"
	3.3	17.2	50.5
Could working with the for-profit private sector add value to USAID's programs?	"Never" or "Not often"	Midpoint	"Always" or "Mostly"
	3.3	14.9	60.3

Note: Answers were on a scale of 1–5 and are grouped here for presentation purposes. Answers do not total 100 because the remainder was for the N/A category (which was the program default).

Source: Annex 3, table 8.

Staffers were also asked about their attitude to public-private partnerships in general terms (table 1). The survey asked about the appropriateness of USAID participating in public-private partnerships and whether these partnerships add value to USAID's programs.

Three survey questions were designed to capture respondents' knowledge and understanding of the process of building alliances (table 2):

- Do you know what steps to take to develop a GDA alliance?
- Do you know how to conduct due diligence?
- Do you have enough understanding about how to develop an alliance under existing procurement regulations that foster competition?

Respondents who answered the question expressed moderate confidence in their ability to take the steps necessary to develop an alliance; however, a third indicated that they had no or very little idea. Of the latter group, nearly all were in missions, and 67 percent were FSNs. Furthermore, 41 percent of this group characterized their work as support and 21 percent contract work. These respondents are not staffers who would be expected to know about the GDA initiative. Therefore, the fact that 20.7 percent of respondents indicated they knew "exactly" or "mostly" what to do, and another 24.1 percent had solid confidence is a good indication of how well these ideas have been accepted.

Due diligence is a skill less often required in USAID's other work and provides another optic on the depth of knowledge and understanding. Forty-seven percent of respondents checked the two lowest answers on the scale for their knowledge of how to conduct due diligence.

Two questions had surprising results. Confidence in the procurement process and competition was greater than expected, as a third of respondents reported four or five for their level of understanding. This contradicts the difficulties reported in interviews. Respondents also felt comfortable initiating a discussion with the private sector, yet during interviews, staff indicated that they needed help initiating discussions with the private sector and scanning the business environment for alliance opportunities. The question on comfort in initiating discussions with the private sector may have been poorly worded. For both questions, the team concluded that the respondents' lack of overall experience meant that they had not had the difficulties reported by staff in field missions who had worked on alliances.

Conclusions from the survey were as follows:

Table 2. Staff Survey Responses: Knowledge and Understanding of the Alliance-Building Process (in percent)

Survey Question	Survey Responses		
Do you know what steps to take to develop a GDA alliance?	I have no idea what to do or little idea (1 and 2)	Midpoint (3)	I know exactly what to do or mostly (4 and 5)
	33.3	14.9	11.5
Do you know how to conduct due diligence?	I don't know how (1and 2)	Midpoint (3)	I do know how (4 and 5)
	47.1	14.9	11.5
Do you have enough understanding about how to develop an alliance under existing procurement regulations that foster competition?	I don't understand (1 and 2)	Midpoint (3)	I completely understand (4 and 5)
	14.9	20.7	33.3

Note: Answers were on a scale of 1–5 and are grouped here for presentation purposes. Answers do not total 100 because the remainder was for the N/A category (which was the program default).

Source: Annex 3, table 8.

- Collaboration with the private sector could add value to USAID's programs.
- The private sector (including for-profit entities) is an appropriate partner for USAID.
- Respondents had only modest confidence in their practical ability to develop alliances in terms of knowing what steps to take and how to conduct due diligence.

The team concluded that the concepts of GDA have been heard and broadly accepted in the Agency. Not every USAID staff member is familiar with GDA, but there was sufficient awareness and openness to the principles that acceptance of GDA has been achieved.

Interviews in Washington, primarily with senior managers and champions or managers of GDA alliances, showed broad support for the idea of GDA and public-private partnerships. They characterized the approach as having great potential to achieve development impact. But senior managers consistently added the following questions:

- Is this the only business model for the Agency meriting continued status as a pillar?
- Should resources (i.e., incentive funds) be set aside for alliances?
- How much management attention should GDA have?

Although senior managers in Washington strongly supported the concepts and principles of the GDA business model, they also stated that it is an approach that needs to be selectively applied: achieving development impact takes more than one tool. Washington interviews contributed to the conclusion that GDA is broadly accepted in the Agency, but that GDA should not be the Agency's only business model and that adjustments may be needed in its implementation.

Criteria for a GDA Alliance

This section describes how the 25 GDA alliances were identified and discusses findings and conclusions. Some comparison will be made to other activities judged not to be GDA alliances.

Because direct-hire USAID staff stopped implementing projects in the 1970s, all of USAID's work is a public-private partnership in one form or another. Recognizing this USAID heritage of partnerships with private partners,[2] the team examined the extent to which the Agency has developed public-private alliances that meet the criteria for GDA alliances.

The participation of a "private-sector resource partner" was defined as one criterion to distinguish GDA alliances from other forms of partnerships. Field teams assessed 50 alliances that included hundreds of partners, which were not equal in size, scope, type, or role in the alliance. In analyzing these partners, the team saw the clearest distinction between GDA alliances and the other excellent ways USAID does business. The GDA Secretariat's policy has been that an "alliance" must have a private-sector element. The World Bank, by contrast, includes "donor coordination" in its definition of public-private alliances.

Rather than analyzing partners according to type of organization—NGOs, host governments, for-profit private sector, universities, other donors, and U.S. Government contractors—it was more useful to categorize private-sector partners according to their role in an alliance. The following four categories were used:

- *resource partners* provide the resources to fuel the alliance
  - private-sector for-profit companies
  - private-sector not-for-profit organizations (NGOs and private foundations) under certain circumstances
  - USAID and other donors
  - host governments
- *resource and implementing partners* contribute a combination of resources and implementation
- *implementing partners* are paid to provide their services
- *beneficiary partners* receive the benefits from the alliance and usually are expected to contribute development impact over time

The definition of a resource partner was developed after many hours of analysis of the resource contributions of hundreds of partners. Missions' processes for defining contributions were not always transparent. Guidance from Washington seemed to have little effect. A clear definition of contributions that make a

2 Spevacik, Anne Marie, "USAID's Experience with Multisectoral Partnerships and Strategic Alliances: An Analysis of Best Practices and Lessons Learned," Washington, D.C.: USAID Development Information Services, 2001.

partner a resource partner may be impossible to reach, but it should include a combination of cash, technology, and knowledge.

Global Development Alliances: Innovative Approaches to Partnering

- Clean-air technologies in Sri Lanka, India, and the Philippines
- State-of-the art technologies and best practices in ecotourism in Sri Lanka
- Focusing the development impact of remittances in Mexico
- Farmer training schools sharing best practices across countries in the cocoa industry
- Natural resource atlas in Indonesia
- Revenue-generating options to fund agricultural research in Ghana
- Build-operate-transfer approach to capital projects in Jordan
- Puppetry a la Sesame Street in India
- Technology to convert three-wheeled vehicles to hydrogen fuel in India

A cash contribution demonstrates the commitment of the private sector more than the valuing of overhead and other sunk costs. An example of an alliance to which the resource partner contributes substantial cash is the Konkola Copper Mine Company in Zambia. If the knowledge or technology is critical to the development impact, an alliance can still be considered a GDA alliance with no cash contributions (such as Sesame Street).

Technology and knowledge should be those to which the partner has proprietary rights, or that are unique to that partner. For example, USAID has many knowledgeable partners in education, but Sesame Street has the unique technology of puppetry and the knowledge of a style of entertaining education that can be considered a resource contribution. A second example is the up-to-date market knowledge of businessmen from an industry working with producers such as the Food Industry Alliance in Ghana. Technology and knowledge capture the important alliance criteria of innovation and new ideas.

Private-sector resource partners in alliances can be both for-profit entities and NGOs, but if no for-profit entity is involved, the NGO must provide the combination of knowledge, cash, and/or technology that fuels the alliance. A GDA alliance 1) should have a resource contribution that is greater than the normal level of contribution in USAID activities, and 2) may not include existing contract and grant resources. For example, if an NGO brings in cash from a donor that wants to partner with that NGO and USAID, that partnership could be a GDA alliance. If an NGO contributes a technology or specialized knowledge (such as Sesame Street) but does not provide cash, that partnership could also be a GDA alliance. Otherwise, these are traditional USAID partnerships with NGOs.Many of the most successful alliances included the indispensable contribution of implementing partners, longtime partners of USAID. If a partner in an alliance is paid for its services, it is characterized as an implementing partner. These play essential roles, but not the same role as the resource partner that brings technology, cash, or unique knowledge. Because some resource partners also implement, such as Monsanto in the Monsanto Corn Alliance, a category for those combined roles was created. Sometimes implementing partners have initiated alliances with resource partners; this is a particularly valuable contribution.

E-Education in Jordan

King Abdullah of Jordan, with his friend Steve Case, developed a vision of improved information technology access and training in Jordan.The Case Foundation came to the mission to conduct a feasibility study and assessment of how to help make such an initiative sustainable. USAID turned to the private-sector initiatives project. Because the mission and its project provided only a study, the responsibilities and risks are shared between the Government of Jordan and the Case Foundation, not the mission. The fluidity of communication between the parties suggests that when the mission and project partners are needed again, it will develop accordingly.

Beneficiary partners receive the benefit of the knowledge and services of the alliance in the expectation that they will play an increasing role in the long term. Mexican forest producers are a beneficiary partner in the Certified Sustainable Development Alliance.

The team concluded that an alliance is not a GDA alliance if it does not include a private-sector resource partner.

The second judgment the team made concerned the nature of the partnership. The definition of GDA alliances used in training and the GDA toolkit included partnering criteria:

- shared responsibility and decision-making
- joint planning, including joint definition of the development problem

The review of 50 possible alliances identified 25 alliances in the 10 countries that met the criteria for a GDA alliance (table 3). The others were judged to be pre-alliances and projects.

The pre-alliances and projects should not be considered failed or unsuccessful efforts. For some, it is just too early in the process. They do provide interesting information on the process of

Table 3. GDA Alliances and Partner Contributions[6]

Assessment Country	GDA Alliances	Range of Partner Contribution
Africa		
Zambia	Smallholder Export Vegetable Alliance	$1–3 million
	Milk Collection Centers Alliance	$1–3 million
	Copperbelt Economic Diversification	$1–3 million
	ICT Skills Building	Less than $1 million*
Ghana	Food Industry Alliance	$1–3 million
	SPEG/Atomic Energy Commission	Less than $1 million
	Sustainable Tree Crop (Regional Cocoa)	Greater than $3 million**
Asia and the Near East		
Philippines	Alliance for Mindanao Off-Grid Rural Electrification (AMORE)	Greater than$3 million
	Cleaner Fuels to Reduce Vehicle Emissions	Greater than $3 million
	Monsanto Corn Alliance	Less than $1 million
Indonesia	Papua Bird's Head Alliance (Biodiversity)	Greater than $3 million
	Cocoa Alliance	$1–3 million
	Timber Alliance or Sustainable Forest Management	Greater than $3 million
India	Green Business Center (GBC)	Greater than $3 million
	Financing Solar Electrification (Solar Financing)	$1–3 million
	India Livable Communities Initiative (Regional)	Greater than $3 million
Sri Lanka	Air Pollution Reduction in Land Transport	$1–3 million
	Ecotourism	$1–3 million
Latin America		
Peru	Huancavelica Economic Support Center	$1–3 million
	Lesser Known Species—Certified Forest Products Peru (GDA for Sustainable Global Products)	Less than $1 million
	Cordillera Azul National Park	$1–3 million

Source: Annex 4, table 10.

Table 3. GDA Alliances and Partner Contributions[6]		
Assessment Country	**GDA Alliances**	**Range of Partner Contribution**
Mexico	Popular Leveraging Remittances for Economic Growth	Less than $1 million
	Northern Border Trauma Center	$1–3 million
	Certified Sustainable Development Alliance (Regional)	Less than $1 million
	Central American Coffee Initiative	Less than $1 million

* This is the Zambia portion of a much bigger alliance.
** This is the total amount for all countries.

Source. Annex 4, table 10.

developing alliances and the obstacles that alliance builders encounter. Some are excellent development projects with insufficient partnering to be judged alliances. That the team looked at 50 and used only 25 for analysis is the result of the timing in the life of the GDA initiative, as well as some overreaching in reporting.

The following section analyzes these 25 GDA alliances at the midpoint of USAID's experience with GDA alliances. Pre-alliances and projects are compared to this group to show what is being tried or future potential.

GDA alliances

Partners

Aside from the requirement that an alliance include a private-sector resource partner, in an analysis of partner types and partner roles, many models appear successful, at least at midterm. Approximately 120 instances of partnering were observed in the 25 alliances, with some partners counted more than once because they participated in multiple alliances. Adding partners in the pre-alliance and project group would increase that number by several hundred partners. Moreover, in some alliances, even more local or small resource partners participated, but were too numerous to mention individually. The average was 4.5 partners per alliance, but the range was broad, with the most instances of partnering in Indonesia and Zambia, and the least in the Philippines. The Timber Alliance in Indonesia had 21 partners, and the Monsanto and Mirant

Table 4. Analysis of Partner Types and Partner Roles

	For-Profit Private Sector			NGOs		Host Country Governments			Universities	Donors		U.S. Government Contractors	Totals
	Local	Multi-national-	Affiliates	Local	Multi-national	Local	Federal	Parastatal		Bilateral	Other		
Resource Partner	27	12	3	6	15	2		2	3	6	3		79
Resource and Implementing Partner	2	2	1	3			1					2	11
Implementing Partner	1	2		5	14				2			2	26
Beneficiary Partner	3					1		1					5
Subtotals	33	16	4	14	29	3	1	3	5	6	3	4	121
TOTALS	**53**			**43**		**7**			**5**	**9**		**4**	**121**

Source: Annex 4, table 11.

alliances in the Philippines had one partner each. Each of these alliances had the potential for high impact, which indicated that different circumstances call for different numbers of partners.

The assessment focused on for-profit private sector alliances because they best reflected the "new partners" in the GDA business model. However, the NGO sector is still active in GDA alliances, as shown in table 5. This table does not include numerous university, host government, or other donor partners.

Table 5. Private Sector Participation in GDA Alliances

	For-Profit	NGO	Totals
Local	33	14	47
Multinationals and affiliates	20	29	49
Total	**53**	**43**	**96**

There are more partnerships with local for-profit, private-sector organizations than with multinational corporations, and more alliances with multinationals than local NGOs. This can likely be attributed to the missions' alliance-building tactic: rely on existing relationships (such as with multinational NGOs) while seeking new partners and approaches (such as in the local private sector).

The following examples show various combinations of partners, their relationships to each other and USAID, and their motivations for participating in the alliances.

- Konkola Copper Mines (KCM), a large private mining company that is the resource partner in this alliance, is in the process of closing some of its facilities. As part of its corporate social responsibility strategy, KCM put together an economic development task force. In cooperation with KCM, USAID's contractor DAI put together the Copperbelt Alliance proposal. Two thousand smallholder farmers are engaged in phase 1 of the project. As envisioned, farmers will be able to export crops of paprika, coffee, and fresh vegetables—crops considered to have the best export potential. The partnership is anchored by ZATAC Ltd., the DAI spin-off expected to assume the leadership of the project with the eventual closing of DAI's offices; and Konkola Copper Mines, which is providing most of the infrastructure for the program. Other partners include: Coffee Board of Zambia—irrigation loans; Zambia Coffee Growers Association—extension services; Stravendale Farm—marketing, processing; Cheetah Ltd.—seeds, guaranteed market for spices; Armiram—irrigation needs assessment and design; and Forest Fruits—extension, guaranteed market for honey. Partner companies, which would not otherwise be available to borrow from private banks because of collateral requirements, get loans from ZATAC Ltd. The low-interest loans provide for business infrastructure and market training.
- The prime private-sector partner in the Small Export Vegetable Alliance, Agriflora, is a large Zambian-owned agribusiness, which was approached by DAI in 1999. Agriflora representatives are upfront about the public relations incentives in the alliance. Aware of neighboring Zimbabwe's land seizures of large farms for the supposed benefit of small farmers, Agriflora was eager to be seen as benefiting smallholder farmers by helping them compete in the specialized European export market. The alliance has organized three hundred smallholder farmers through seven cooperatives.
- According to Mirant-Philippines President, Ed Bautista, the alliance fits its country business strategy in several important ways. First, the company made a binding public commitment to provide electricity to 1,500 poor and isolated *barangay* (villages), some of which cannot be connected to the existing electricity grid. Furthermore, Mirant sees its work with USAID on renewable energy and off-grid communities as building good will with the government and public in general, which in turn, should help it win future government contracts. Finally, although less tangible, Mirant is building relationships with local government and learning to work in areas that could be beneficial to the company in the future as it expands.
- AirMAC, under the active coordination of USAID Sri Lanka, engages stakeholders including David Peiris Motors, GTZ—the German development agency, the Sri Lankan Bus

Owners Union, the World Bank, and government ministries in a collaborative fight against air pollution. While disagreements occur within the group, the original partners remain engaged, regularly participating in evening meetings and events on their own time. Collectively, AirMAC has already contributed to an ahead-of-schedule ban on high sulfur diesel fuels, a plan to convert three-wheelers to hydrogen fuels, and a vehicle emissions testing program.

These examples show that nany variations and combinations of alliances can be successful. The contribution of all partners can be valuable, but the cash and technology contributions of the resource partners define a GDA alliance. The section on development impact explains this conclusion.

Sector Breakdown

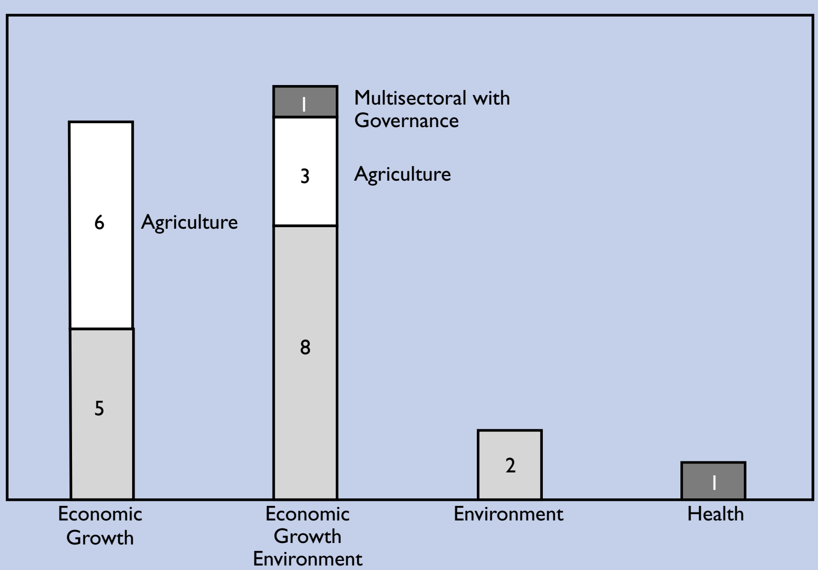
A clear sector pattern emerged during the assessment. All but one of the alliances were in the economic growth, agriculture, and environment sectors and many combined all three. Of the 25 GDA alliances, 22 were economic growth (including agriculture), two were environment (without significant economic growth aspects), and one was health. About three-quarters of the activities in the pre-alliance and project group combined economic growth, agriculture, and environment. There were four education activities and one governance activity in this group.

Several factors explain this preponderance in the economic growth and environment areas. Eight of the alliances were funded by ANE's MIF, which was predominantly earmarked for environment. LAC also had environment funds to use for alliances. Another key factor is that economic growth, agriculture, and environment are the sectors in which USAID has the skills and relationships—the sectors where the most USAID staff interviewed have private sector experience or contacts. Environment was also mentioned repeatedly in interviews as having champions that made and built such contacts and relationships.

For example, the United States-Asia Environmental Partnership (US-AEP) preceded the GDA in building environmental public-private partnerships. GDA environmental alliances in South Asia tend to be a direct result of US-AEP's work. In another example, an economic growth alliance, a multinational food company sought opportunities for corporate social responsibility work with a hospital. The mission had an ongoing activity in the food industry and steered the multinational towards participating in an alliance that directly engaged its business interest. Something that started out to be health was pushed toward economic growth.

The team speculates, with some support from interviews, that some sectors have been a less natural fit with alliance building, particularly in the mission context. For example, in mission health programs, the field missions' strategies tend to include systemwide institutional change and reform in the public sector. These are less likely to be immediate candidates for GDA alliance building. The centrally funded health alliances relate to development issues that can be addressed globally, such as availability and affordability of vaccines and medicines and treated bed nets. The Global Health Bureau programs have demonstrated the impact of health alliances, as well as philanthropic interest in health.

Figure 1. Sectors of the GDA Alliances



GDA Helps Provide Financial Services to the Poor

GDA funding permitted the Caja Popular, Mexico's largest savings and loan institution—and often the only financial institution in many poor communities—to add remittance payments from family members living in the United States to services provided to its clients. When community members come to the Caja branches to receive their remittances, the Caja offers them other financial services, such as savings accounts and loans, increasing the productive use of remittances and providing useful financial services to typically very low-income clients.

In the 10 countries where activities were assessed, only one health alliance was identified as a GDA alliance: the Northern Border Trauma Center in Mexico. In the health sector, there is longstanding experience with public-private alliances that are managed from Washington, but analysis in those 10 countries suggests that there has been little health-alliance building in the missions.

The team did assess a number of activities in the education sector that were categorized as pre-alliances or pre-alliance projects, not full-fledged GDA alliances. These included

- Scholarship for Success in Morocco, an innovative activity that nevertheless has not achieved the shared planning and decisionmaking of a GDA alliance.
- Children's Educational Television in India, which is at the feasibility stage and, if judged feasible, could be expected to become a GDA alliance with a very powerful development impact.
- Center for Excellence in Teacher Training in Latin America, which is still a pre-alliance activity. Although ambitious in size and scope with great potential, it may take a few more years to get substantial private-sector resource participation.

The Quality Education and Skill Training activity in India, the new education initiative in Jordan using information and communication technologies, and the new education alliance in Morocco are some of the pre-alliances in the early development stages. The education sector seems to have potential for alliances but they are taking time to come together.

There has been concern that democracy and governance are not suitable sectors for developing alliances. No democracy alliances were assessed, but alliances included governance. The Bird's Head Alliance in Indonesia included governance as well as economic growth, environment, and health. Part of its multisectoral approach was to build the capacity of institutions of governance and civil society to avoid the "gold rush" chaos often created by large industrial projects in poor areas. The Cities Alliance in Tetouan, Morocco, which is supported by the mission, can be characterized as a pre-GDA project. This project has interesting potential to become a public-private alliance in support of decentralized governance. Its potential lies in local governance rather than national governance or democracy.

GDA Supports Governance and Civil Society Capacity Building

The Papua Bird's Head Alliance project aims to provide support for development and capacity building of institutions of governance and civil society in the Bird's Head area in light of the forthcoming development of the Tangguh Bay Liquefied Natural Gas Project by British Petroleum (BP). The alliance fits with the mission's new strategic objective (SO) goal of bringing implementing partners together in a similar place and cuts across multiple focus areas for USAID: natural resources, democracy and local governance, health, and economic growth. Each implementing partner has its own strategic objectives with regard to the Bird's Head region. BP cites financial incentives for joining the alliance, but also sees GDA as its corporate social responsibility and a "cost of doing business." The alliance fits with BP's social strategy, which grew out of lessons learned from oil and gas companies that made mistakes with regard to human rights.

Some sectors clearly lend themselves more readily to public-private alliances than others. This is partly because of the business skills and experience prevalent in the economic growth area. But the pre-alliance and project group demonstrates the potential for alliances that can achieve development impact in other sectors as well. The new initiative to develop education alliances in the ANE Bureau also has potential but it does not benefit from the same set of skills. More democracy and governance and education in the pre-alliance and project group may indicate that these types of alliances take longer to organize than those in other sectors, and may take longer to have an impact.

Alliances Built on Experience

Almost half of the 25 GDA alliances began before the GDA initiative. Most of the other alliances also built on existing relationships but intensified after the start of the GDA initiative. This is not surprising given how difficult building solid alliances is in developing countries.

A fundamental aspect of successful alliances is mutual trust, which is most often built on the foundation of longstanding relationships. Indeed, several of the strongest alliances were built on existing relationships to work in new ways. For example, Indonesia's pre-GDA initiative cocoa alliance was empowered by the GDA initiative to take risks. Royal Ahold's work in Ghana in alliance with USAID is built on established relationships between USAID contractors and grantees and farmer organizations. Their participation has provided sharper focus on export market connections and greater credibility with farmers, greatly enhancing the potential for market development.

Most current alliances include partners that have worked together and established trust. Yet some alliances in which relationships were built from the ground up appeared as strong as alliances that were built on longstanding or existing personal relationships.

GDA Alliance in Zambia Built on Trust among Partners

The Zambia Copperbelt Alliance would have failed had there not been an existing relationship with partners. In the absence of funding caused by procurement delays, the relationship must exist on trust. The implementing partner continues to fund the project out of existing program funds as it awaits approval of its procurement agreements.

GDA alliances are part of a considerable history of USAID partnering with private partners. USAID needs to acknowledge that good partnerships can take years to develop. At the same time, USAID needs the flexibility to take opportunities when they present themselves, fostering the few but key alliances that can develop overnight.

Resource Contributions and Leverage Ratio

The team has left the financial size of alliances to last precisely because there has been so much emphasis on the leverage ratios and level of resources invested in these alliances. Resource contribution is reported here with the strong warning that these are very rough numbers.

Since this assessment is perhaps the most consistent effort at estimating resources across the board, the team describes the estimated amounts of resources contributed and the leverage ratios identified to provide a sense of scale and nothing more.

The total estimated private-sector resource contribution from the 25 GDA alliances is nearly $70 million, with an average of $2.6 million per alliance. The largest contribution is the $6 million Indonesia Bird's Head Alliance and the smallest is Monsanto Corn Alliance in the Philippines, with just under $100,000. Many of the pre-alliance projects tended to be smaller, but one included $22 million from private-sector partners.

Seventeen of the alliances included contributions of less than $3 million. Only contributions made to date are included however, and in some cases, more are

Table 6. Resource Contributions from All Partners, other than USAID (includes in-kind contributions)

	Less than $1 million	$1–2.99 million	$3–4.99 million	Over $5 million
Number of Alliances	7	11	2	5

expected. Although some of these alliances will have additional partner contributions in future years, the contributions are small when compared to the effort needed to develop and manage public-private alliances. The picture may be different in several years.

Teams invested many hours in clarifying the level of private-sector resources but concluded that the numbers are not accurate and not consistently developed. Reasonable professionals disagreed on what should be counted as a resource contribution. Therefore, numbers are not comparable from one mission to another or even from one alliance to another. In-kind contributions are particularly speculative because they often include estimated values for staff time, travel and per diem expenses, and office space.

In the Indonesia Cocoa Alliance, part of the private sector contribution reported in the GDA database was based on the premium the cocoa industry would pay for the improved-quality cocoa that would result from the alliance. This is essential to the success of the effort and a great contribution in the broadest sense of that word, but if the quality of the cocoa improved for other reasons, the cocoa industry would still pay this higher price. This amount was therefore not listed as a resource contribution for this assessment.

In the valuation of in-kind contributions, the numbers were so inexact and the desire to be responsive to the GDA initiative so strong that the incentive to inflate the estimates must have been irresistible. Values associated with in-kind contributions were unscientific at best. In one instance, a multimillion-dollar discrepancy was found between the amount in the database and the amount reported in interviews by the project manager. The contributions of all partners were systematically included—so if the World Bank and UK development agency DFID were resource partners, their contributions were included as partner contributions as well.

In some alliances, estimated project management costs were included as resource contributions. Often, managers reside in the country anyway, regardless of the alliance, and such costs were not considered resource contributions for this assessment. However, some advisors were located in the country by the resource partner specifically for the alliances, such as the technical advisor in the Food Industry Alliance in Ghana. This is a contribution to addressing the development problem.

Mission staff also find that estimating the value of in-kind contributions is a time-consuming exercise. The team therefore recommends emphasizing technology, cash, and knowledge contributions. Partners' overhead should not be valued as part of contributions; money that partners have received as grants or agreements from other donors should not be valued; in-kind contributions should not be the only type of resource partner contribution. This is not to underestimate the value of such resources, but contributions of technology, cash, and knowledge demonstrate a stronger commitment on the part of private-sector partners.

These resource contributions, fraught with problems, served as the basis for calculating leverage ratios. When the GDA initiative was new, tracking resources was a way to demonstrate momentum, and the leverage ratio provided a concise way to distinguish alliances. Now that there is experience with alliances, it would be possible to shift to a more nuanced definition of alliances, and reporting evidence of effectiveness and impact should replace reporting on resources contributed.

A leverage ratio of 1:1 was the threshold for inclusion in the secretariat's GDA database, and the leverage ratio came to define a GDA alliance. This caused friction with offices and missions that felt they had fulfilled the spirit of the other criteria—new partners, innovations, joint planning—without necessarily having achieved the 1:1 leverage ratio. Two alliances did indeed meet the GDA alliance criteria with ratios of less than 1:1. Both were regional alliances, which made calculating ratios difficult.

Some regional differences are apparent: 10 of the 11 ANE alliances meet the 2:1 standard for that bureau's MIF and reflect the ANE expectation of higher leverage ratios. Alliances identified in LAC have smaller leverage ratios. In one GDA alliance with a leverage ratio of less than 1:1, the Cocoa Alliance in Indonesia (for which the leverage ratio was recalculated according to the assessment teams' definition of resource contribution), the value of the resource partner's knowledge is sufficient without cash resources to make the alliance likely to have great development impact.

Table 7. Leverage Ratios (All partners:USAID)				
	Less than 1:1	**1:1–1.9:1**	**2:1–2.9:1**	**3:1 and over**
Africa	0	3	1	3
ANE	1	0	6	4
LAC	1	4	1	1
Number of Alliances	2	7	8	8

The ANE bureau encouraged bigger alliances that required cash contributions. The assessment agreed with the bureau that cash and size can play a role in engaging the senior management and the core business interests of the private-sector partner. These are important elements in the success and sustainability of alliances. In other bureaus, strong GDA alliances lacked these elements, but sustainability appeared less sure. On balance, a large alliance including a cash contribution is the best model for high-impact sustainable alliances.

Variation in what was reported as resource contributions and the undervaluing of technology and knowledge contributions make leverage ratios a very rough tool. Leverage ratios are not an effective way to define GDA alliances and leveraged contributions are a simplistic way of reporting progress. In a later section, greater emphasis on monitoring and evaluation is recommended for reporting on the effectiveness and development impact of alliances instead. But size and cash can still be part of a successful strategy.

Development Impact and Sustainability

The best of the GDA alliances demonstrated real potential for development

Country Descriptions

- *Zambia.* USAID/Zambia has been creating alliances, mostly in the economic growth sector, for some time. The mission is enthusiastic about the alliance concept, but is frustrated by bureaucratic obstacles.
- *Indonesia.* USAID/Indonesia was involved in public-private partnerships long before GDA, mostly in the natural resources and economic growth sectors. The mission has moved forward despite evacuations and other disruptions.
- *Ghana.* The mainstreaming of GDA is progressing well in USAID/Ghana, particularly in the economic growth sector. The mission explores opportunities for additional alliances but would welcome more support from the GDA Secretariat on what companies might be interested in working in Ghana, and better communication on global alliances being planned to operate in Ghana.
- *Sri Lanka.* USAID/Sri Lanka's alliances have evolved from relationships developed in The Competitive Initiative and US-AEP partnerships. The prospects of peace and stability will likely encourage investments by both international and national businesses, which will help the mission grow its alliance portfolio.
- *India.* USAID/India's long and rich history of partnerships with the private sector has served as the foundation on which many of its current alliances are built. While the mission will continue to identify and develop alliances, it is busy laying the groundwork for a legacy institution, which will aim to form innovative partnerships between India and private and public U.S. organizations and eventually replace USAID as the most appropriate mechanism to address India's long-term development needs.
- *Philippines.* Alliances are becoming an expectation for new program design and are being integrated into USAID/Philippines' strategic objective teams and budgets. A variety of promising alliances in the environment sector serve as road maps for other sectors as the mission begins to identify alliance opportunities.

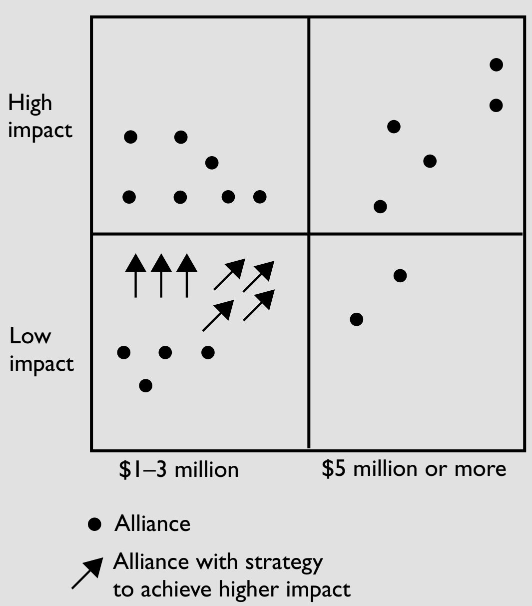
- *Morocco.* USAID/Morocco has received drastic cuts in the past year. The Scholarship for Success program funded with GDA incentive funds kept the education program in Morocco alive, and the mission will use that experience to build the new multimillion dollar Education Alliance.

- *Jordan.* The Government of Jordan is a leader in building alliances, and the USAID/Jordan routinely is a partner in these efforts. Because of the government's leadership and the mission's unique level of funding and political position, USAID/Jordan does not create units of analysis that could be called alliances. Its very active partnering could be a model for public-private partnering in the future.

- *Mexico.* Alliances play a central role in USAID/Mexico's conservation, economic development, and education efforts. A strong Mexican private sector, the fact that Mexico and the United States are neighbors, and limited mission funding are also important factors in the mission's emphasis on alliances.

- *Peru.* USAID/Peru uses private sector alliances to bring economic development to two key regions of the country: the very poor Andean highlands and the regions where coca is or could be grown. USAID/Peru also believes that Peru has much to offer private investors and that USAID has a role in facilitating private-sector investment.

Figure 2. Development Impact and Partner Resource Contribution



impact. The 25 GDA alliances assessed for this report represent a subset of all the projects called GDA alliances, but this subset demonstrated an impressive development tool. This conclusion is based on the alliances assessed as well as interviews.

In figure 2, alliances were plotted along two axes: level of impact and level of resource contribution. The "level of impact" is the level that the alliance is designed to achieve. The top half of the figure represents alliances that the assessment found would have high impact or that are designed for high impact. These are based on the judgments of the team members who traveled to the field or reported by the alliances. Each bullet (•) represents a single alliance.

In figure 2, resource contributions include all non-U.S. Government resources reported as contributions, including estimates of in-kind contributions. The quadrants categorize different types of alliances. The left half includes alliances with contributions of less than $3 million and the right those with contributions of $3 million or more (corresponding to the range of partner contributions in table 3).

Twelve alliances are in the high-impact half of the chart. Five were both high impact and high resource contribution. The five high-impact, high-resource-contribution alliances are

- Indonesia Timber, sustaining Indonesia's tropical rainforests

- Indonesia Bird's Head, establishing a well-planned economic boom generating employment and income, managing environmental resources, and providing increased access to services

- Philippines Clean Fuels, including an innovation that has the potential to drastically lower toxic emissions of diesel fuel
- West Africa (Ghana) Sustainable Tree Crops, raising cocoa farmers' incomes to reduce use of child labor
- India Livable Communities, developing designated high occupancy bus lanes and 30 buses that use clean-fuel technologies in Delhi

Three of these five alliances are regional alliances, and four are in Asia. ANE staff in Washington and the field reported that the reasoning behind the minimum 2:1 leverage ratio for ANE's MIF was that it forced the alliance builders to think in bigger terms, getting the most commitment of the private-sector partner that would lead to the greatest development impact. The assessment team supports this strategy.

Seven alliances fell into the high-impact, lower-resource-contribution quadrant:

- Indonesia Cocoa
- Mexico Remittances
- Mexico Coffee (Mexico portion of Central American Coffee Alliance)
- India Financing Solar Electrification
- Sri Lanka Air Pollution Reduction
- Ghana Food Industry
- Ghana Sea Freight Pineapple Exporters

These seven alliances can be considered as successful as the five alliances with high partner-resource contributions. However, the team agrees with the ANE Bureau that the commitment of the senior management of the private-sector resource partner and the engagement of its core business interests are important elements in fulfilling commitments and sustaining partnerships. It is this that will lead to the most development impact over time.

ANE was one of the earliest bureaus to take up the GDA initiative, partly explaining the predominance of that bureau's projects in the figure. Nine of the other fifteen alliances had clearly discernible strategies for becoming high-impact alliances, some were in the feasibility stage, and some were still building.

Neither of the low-impact but high-resource-contribution alliances had clear strategies for moving to higher impact. These may have been caught in the trap of valuing the private-sector resource contribution too highly. Four in the low-impact, low-resource-contribution quadrant can be characterized as modest alliances. Their expected impact is not so low that these alliances could be considered failures, but they are nonetheless less-solid investments of the Agency's scarce time and resources.

Both because of the importance of the commitment of the private-sector partner and the time investment required to build successful alliances, focusing on alliances in the upper right quadrant of figure 2 seems the best approach to developing successful, sustainable alliances. This drive towards high-resource, high-impact alliances is a concept that has not yet permeated the Agency, although it is apparent in the ANE Bureau.

Private financing is not better than public financing for sustainability (i.e., the independent continuation) of development impact. In one Asian alliance, fulfillment of resource contributions was delayed, probably because of the private-sector partner's Chapter 11 bankruptcy filing in the United States. In cases from the pre-alliance and project group, such as in Morocco's Scholarship for Success, donors did not meet their commitments.

Alliances that showed the most potential sustainability were those in which the private sector was perceived as "having little choice" but to invest there, particularly concerning resource-based, extractive industries or having significant opportunities to advance core business interests:

- *Oil, cocoa, mining, and timber companies* cannot simply move elsewhere and therefore had the requisite stake in the community that made investment the best choice for them.
- *Market connections to certain geographies* can implicate a company in a certain area; for example, the pineapple market in the Food Industries Alliance in Ghana. The benefits will be sustained because the partners both learned the importance of paying attention to market signals and have the partnership with Royal Ahold to continue to provide good market information.

The team had almost no examples in which the private sector was interested in the labor market (for instance, garment producers, which can easily relocate to cheaper labor markets). This would be interesting for future study, but is not included in the scope of work for this report.

Four of the 11 high-impact alliances were centrally designed, multicountry alliances (counting cocoa only once). This is one good model of achieving impact: developing and nurturing a relationship in Washington, led by the Agency's technical leaders, and sometimes including GDA Secretariat assistance. When the relationship is established and the technical specialists and industry representatives have designed a framework for one or more development interventions, the alliance is "marketed" to the field. In the mode that centrally funded programs have operated in for years, they look for missions where the strategic fit and staff support are good for implementation. This can have maximum payout for the time invested in developing an alliance: a big player with big resources, transnational reach (that is, the potential for a multicountry alliance), and a reason to stay with it. Many big players have a commercial interest in becoming involved in development (supply chain, market access, product development, and demand creation), which is linked to continuity and sustainability.

Another issue of impact and sustainability is competitive scale—that is, working with one firm as opposed to a trade association or multiple firms. In Peru, there is an alliance between USAID and one ceramics firm that is part of a private sector development project. This alliance, or partnership, engages the core business interest of the firm and contributes development impact, but it does not have the combination of knowledge, technology, and cash that meets the criteria for a GDA alliance.

The most consistently successful alliance model engaged the core business interest of the private-sector resource partner. Examples include the Indonesia Timber Alliance, which links companies in the wood-product supply chain to certify the sustainable supply of timber and the partnership between a major European-owned grocery distributor and African food producers. Engaging core business interests tends to engage senior managers of the private partners and leads to some of the strongest alliances with the greatest expectation of sustainability.

Creating and Managing Alliances

Procurement and Competition

Procurement and competition are the most frequently identified challenges in alliance building. Negotiating with the private sector is a dynamic process that requires flexibility, but many of USAID's processes are rigid and slow. GDA alliances do not fit procurement models and often struggle to be structured to enable full, open competition. Alliances are settling into a business-as-usual pattern, which raises concerns.

Although the GDA business model explicitly planned for reform of Agency procedures, it has been the policy of the USAID contracts office to follow current procurement regulations, identify problems, and craft exceptions that will be accepted by contracts officers and lawyers on a case-by-case basis.

Alliance managers reported that they have been required to spend large amounts of time dialoguing with contracts officers and lawyers, longer than for other procurement activities. The already complicated dialogue is exacerbated when the contracting officer is not experienced or is not in the same location as the alliance.

In these early days of the GDA initiative, this prudent approach has protected procurement integrity; however, issues specific to alliance building have emerged. In Philippines, a creative solution was developed to grant $42,000 to the Monsanto Corporation, which served as the resource and implementing partner. On the face of it, a grant to a for-profit company from USAID looks odd. More importantly, the value of the time USAID and Monsanto managers invested in finding the creative solutions necessary to make this alliance work must have been high compared to the $99,500 contributed by Monsanto. This is not to criticize that alliance but to give an example of why USAID needs procurement mechanisms that meet the needs of alliances. The time needed to find the solution to procurement issues was mentioned in almost every discussion about GDA alliances. Although USAID is good at finding procurement work-arounds, there should be a better way. Finding a better way would require a major effort from the overwhelmed procurement office, but it is fundamental to the successful continuation of GDA alliances.

Some mission staff have expressed concern that the nature of seeking partners for alliances calls into question fair and open competition. The principles of full, fair, and open competition do not empower USAID to identify private-sector partners. Instead, USAID becomes the reactionary partner, responding to overtures from others rather than seeking them out. For example, in India, the mission indicated that seeking particular partners for alliances would conflict with the spirit of open and fair competition. Thus, mission staff have reacted to opportunities rather than seeking them out.

Some competitive procurement regulations conflict with the need for continuity after relationships in an alliance are established. A longer life-of-project as standard practice for alliances could make a difference.

The procurement cycle—i.e., deadlines for contracting in a given year—has proven to be an impediment to the development of some alliances. Zambia lost two partners because of waiting for USAID procurement actions to work through the cycle, delaying the start of USAID participation. In years when USAID is operating under continuing resolutions, these issues are magnified.

Clearly, the Agency in general, and the contract officer corps in particular, have been building understanding and experience with alliances. On the whole, staff reported that delays due to the "newness" of GDA alliances are decreasing. Unfortunately, the tendency has been to fit alliances into the normal USAID procurement models. More than a third of the alliances studied had cooperative agreements, for example. This has emerged as a common practice for dealing with the thorny competition issues. Some cooperative agreements provided support in the best way possible for the Agency. But too often, they had the effect of distorting the balance of responsibility to obligate the money, raising concerns about this practice for building successful alliances that can have the greatest developmental impact.

Another approach developed because USAID is precluded from signing legally binding memoranda of understanding (MOU). It is often the contractor or grantee that signs an MOU with the private-sector partner, not USAID. When alliances reflect the model that has the most potential for impact, they are partnerships. This puts USAID at arm's length to the partnership. Partners share control and responsibility in a way that runs counter to the kinds of controls that are built into federal procurement regulations governing mechanisms, such as cooperative agreements. Without real shared control, i.e., shared responsibility and decisionmaking, these alliances will become just a variation on USAID programming with a lot of extra GDA rhetoric. This kind of repackaging leads to cynicism in the Agency.

The obstacles inherent in the Agency's usual practices affect the technical bureaus as well. Several global alliances, such as GAIN and the Cities Alliance, have used the World Bank for fiduciary responsibility. This was a creative approach that solved legal problems in the short term, but problems have arisen. Like the distortions to sharing responsibility and to good communication caused by the solutions just described, this highlights the need to have procurement policies and regulations that are more supportive of the unique qualities of GDA alliances.

GDA alliances fit poorly with USAID's procurement tools and policies and have inherent conflicts with full and open competition. Early alliances suffered the longest delays as exceptions and variations on procurement and legal problems were identified and addressed. The delays are diminishing as some common approaches to the problems are being implemented, but something is being lost in the process. Nonetheless, the consistency in procurement decisions by contracting officers is essential to missions' planning and developing alliances.

Several approaches to initiating alliances were identified:

- *APS*. Contract officers in particular felt that the APS mechanism for soliciting alliance ideas was useful. Staff in Washington and the field cited instances when contracting went more smoothly because the APS process served as the competition. However, some respondents indicated that it exacerbated the already complex interactions involved in missions' being responsible for activities they did not initiate. In some cases, the expectations of private-sector partners were too high and could not be met. Also, some partners in the alliances that could be expected to have the highest impact would not have responded to something like the APS and therefore become involved with USAID. The APS did play a role in a number of alliances, so it was a useful approach in some instances.

- *Alliances initiated by the private sector.* Alliances initiated by the local private sector or a serious multinational corporation that bring knowledge, cash, and technology to the table were also successful. In Ghana, all alliances were initiated by interests outside the mission. The commitment and initiative these partners brought were essential to alliances' success. The alliances in Ghana and Indonesia with the World Cocoa Foundation and industry members reportedly grew out of a conference. In both of those cases, the industry is expected to continue to lead the process of achieving the impact and require less USAID time in the implementation phase.

The West Africa Sustainable Tree Crops Production Alliance in Ghana was initiated by the private resource partner, the cocoa industry. The World Cocoa Foundation collaborated with the international agricultural research community to develop the framework for a regional program of research and extension to support more environmentally sustainable cocoa production in selected West African countries, and won USAID's participation in the program as a result of a series of planning workshops conducted at the industry's expense in 1999–2000.

The step-wise workshopping of the Ghana Sustainable Tree Crop Production Alliance first brought in industry leaders and research to shape the program's technical parameters, ensure its feasibility, and create a broad programmatic framework. Then it brought in governments and donors to help make these ideas operational. This is a fruitful approach for global or multicountry alliances. It provides a roadmap for developing a coherent strategy, then building ownership for that strategy by bringing in all stakeholder groups successively.

Partnering with Multinationals to Help Smallholder Cocoa Production

The U.S. Department of Agriculture (USDA) started a program in 1995 with the World Cocoa Foundation, Masterfood, and Hershey to increase the quantity and quality of smallholder production through combating cocoa pod borer pests and by funding farmer field training. The SUCCESS program started in 2000 while ACDI/VOCA was already working with industry partners. In early 2002, the cocoa industry approached USAID because it saw an opportunity to link with USAID because the USDA program was about to end. The cocoa industry had representatives in Indonesia to buy cocoa and interact with processing plants. The ANE Bureau was instrumental in talking to a network of newer partners, such as Archer Daniels. USAID/Indonesia submitted a proposal to the ANE Bureau for incentive funds and the SUCCESS Alliance was officially launched in June 2003.

As a result of this alliance, industry is already beginning to see improvements in yields, quality, and increased farmer incomes. The GDA model has also sparked ideas for other activities, such as how manufacturing plants and universities can work together to make cocoa production in South Sulawesi more sustainable.

- *RFAs that award extra points for private-sector resource contributions.* Because mission staff time is so scarce, the responsibility for finding private-sector partners willing to make resource contributions to contractors or grantees was sometimes delegated to contractors. Yet having USAID contractors (or contractor-like entities) "beating the bushes" for private-sector partners may not be the most effective and efficient method for developing sustainable alliances. Some successful alliances may be initiated in this way, but delegating the task to a contractor has the appearance of business as usual. Building relationships with partners to achieve the same development objective is laudable, but this approach is less likely to engage the core business interests of the private sector or gain the commitment of senior managers, both necessary for the most successful development alliances.

Emphasizing Leveraged Resources May Cause Difficulties

One implementing partner described its difficulties in responding to an RFA with the best technical proposal when the review criteria so strongly emphasized leveraged resources from private-sector partners—for a democracy/governance RFA.

- *Zambia model.* The Zambia GDA training workshop was open to private-sector partners, addressing the fairness-of-competition issue. As a part of its new strategy, the Zambia mission held a local GDA conference and workshop to generate interest from potential private, public, and NGO partners and increase awareness and understanding of the GDA process in the community. The mission asked all teams to identify potential partners for the new strategic objectives and invite them to the workshop. At the workshop, it introduced GDA concepts and DCA, and a panel of speakers shared their experiences and success stories with GDA partnerships and invited a U.S. private-sector representative to talk about corporate social responsibility. The workshop attracted 117 participants and increased the awareness not only of local partners, but also of top government officials. The U.S. ambassador attended as a keynote speaker and the minister of finance spoke as the chief guest. Other participants included representatives from the banking industry, government, mining sector, microfinance, small and medium-sized enterprises, farmer associations, NGOs, and USAID staff. The event attracted good media coverage. As a result of the workshop, the mission fostered relationships with new partners. This workshop could be used as a model for other missions to find partners and develop relationships through increased awareness of the GDA process. However, not all contracting officers accept this as an adequate means of competition. This illustrates one of the key problems—lack of consistency among contracting officers—encountered by mission staff in the current case-by-case approach to GDA procurement.

Communication

Frequent and open communication was repeatedly cited by USAID and partners alike as an important factor in the success of alliances. The right kind of communication builds trust and gets issues resolved—the wrong kind destroys it and keeps alliances bogged down. Keeping the dialogue going keeps energy and commitment up. Such alliances would have been very difficult before cell phones and ready access to e-mail (by most partners). Some partners reported that they needed to keep in touch at least once a month; in Sri Lanka, the partners meet weekly, with the USAID technical officer as the chair. The Milk Alliance in Zambia, whose co-op members do not have ready access to communication technologies, used milk deliveries to move information from individual farmers to the collection centers and back. This was a creative way to move information from the center of the alliance to the periphery.

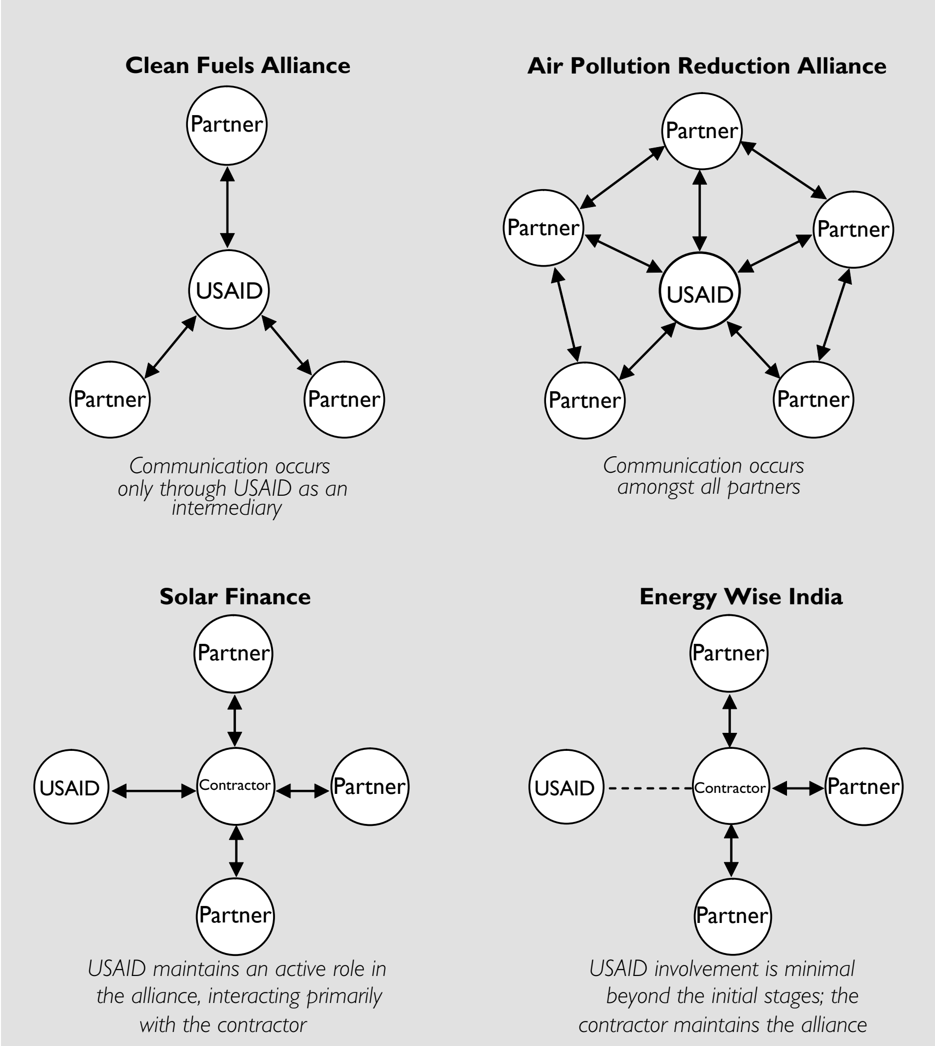
Strong communication in the early stages of identifying and initiating alliances requires that the USAID staffer understand the private-sector partner, the motivations of private sector actors, potential overlapping objectives, and private-sector decisionmaking processes that may be different from those of the public sector.

Communication flows in some alliances were studied because communication patterns reflect shared responsibility and decisionmaking (figure 3).

- In the *Clean Fuels Alliance* in the Philippines, the partners are competitors who are suspicious of each others' intentions and therefore communicate infrequently. USAID enhances communication and serves as a buffer and liaison.
- The *Air Pollution Reduction Alliance* in Sri Lanka is a vibrant alliance. Coordination and communication turned around USAID, but the other partners interacted among themselves as well. This model had the most energy and therefore the greatest potential to achieve results.
- Founded on ongoing activities and using an implementing partner (contractor) to carry out much of the work, *Solar Finance Capacity Building* is implemented by a local affiliate of a U.S. contractor, but USAID maintains a strong advisory role and serves as cheerleader, moderator, negotiator, and convener between the banks, agencies, and evaluators.
- *Energy Wise India*, also based on ongoing activities and using an implementing partner (contractor) to carry out much of the work, is implemented in a unilateral fashion by the implementing partner (contractor). The project manager is located in Washington, which has resulted in problems with communication, decisionmaking, and problem solving. The level of investment from the partners is much more modest and cautious, and communication and the leadership structure reveal this.

What makes Solar Finance a potentially stronger alliance than Energy Wise India is the combination of leveraged resources, leveraged development impact, and USAID mission involvement in communication and relationship-building between partners. It is therefore

Figure 3. Alliance Communication Patterns



not surprising that, when plotted along the impact and investment axes, Solar Finance demonstrates the potential to have a significant impact.

Another important kind of communication is between Washington and the field. As indicated, some of the most successful alliances had design, competition, and procurement issues sorted out in Washington and were then crafted to fit the circumstances of the country. Missions reported that when communication was early and open, these processes worked the best.

A third type of communication exists between knowledgeable staff in headquarters and the missions that reflects the energy and excitement of this new way of doing business. One very experienced mission staffer said he wanted to be able to talk to the staff in the secretariat—to keep up on what was happening and how thinking was changing—and certainly to hear about corporate leads.

Communication is the currency of alliances. Communication with partners works best when USAID staff understands the perspectives of the private-sector partners, either through their own private sector experiences or through mentoring. Early and open communication between Washington and the field has contributed to some of the strongest alliances.

Monitoring and Evaluation

The lack of monitoring and evaluation systems for alliances raises concerns. GDA alliances emphasize new partners and new approaches to achieve development impact. Evaluators expect greater resources be invested in monitoring and evaluating a new approach than approaches with fewer innovative elements, including baseline measurements.

Missions usually reported that monitoring and evaluation would be taken care of by their implementers following normal procedures: monitoring would be part of the annual report process and evaluation would be done as part of the implementation mechanism. This situation is not worse than current monitoring and evaluation shortcomings in USAID, but in most cases it was not better, either. Most alliances lacked baseline data and processes to capture important information about how the alliance is functioning and whether adjustments need to be made. Mission staff told evaluators that monitoring would be part of either the annual reporting process or implementation mechanisms. Planning for monitoring was not evident, and relying on the annual reporting process is not likely to measure anything directly relevant to public-private alliances. In a few cases intermediate results—or strategic objective-level reporting—capture what is being accomplished by the alliance. The alliance would contribute to the achievement as any activity would, but rarely would the objectives fully coincide. Monitoring and reporting on the implementation mechanism, most commonly a cooperative agreement, would not likely fully capture the scope of the alliance either, because those evaluations generally focus on the objectives of the cooperative agreement. The objectives of the cooperative agreement should overlap with those of the other partners, but probably do not coincide completely.

The best practice observed by the evaluation team was to allot a portion of the funds to an independent contract for monitoring and evaluation. The Timber Alliance provides a best practice example that the implementing partners refer to as "Lessons Learning." Following a suggestion by the potential partner, DFID, to include a bigger monitoring and evaluation component from the beginning, USAID expanded the budget, and the implementing partners contracted a research institute to handle monitoring and evaluation for the alliance. The system is set up so the partners can trace how everything is happening and where each partner's funds go. For example, each partner can know how much of its contribution is going toward timber tracking and the specific amount of wood saved. The idea of giving each partner a clear idea of what its money is doing can be used as a best practice for alliances in other countries. Similarly, the Solar Energy Finance Capacity Building Alliance in India retained a separate partner to conduct both process- and impact-level evaluations at various points in the project cycle.

The consistent lack of monitoring and evaluation systems for the alliances will make it difficult to make mid-course corrections and capture impact. Without good information on effectiveness and impact, there will continue to be too much pressure to report on "leveraged" contributions.

Support for Alliance-building in Missions

To advance GDA objectives and mainstream the public-private alliances business model throughout Agency operations, incentive funds were set aside from the FY 2002 and 2003 budgets to finance startup alliances using the public-private alliances business model. Incentive funds encouraged missions to form alliances but included some repackaging of old work as well as new ideas. Incentive-funded alliances require the support of someone with the skills and vision to build the high-impact alliances that can make a GDA business model alliance stand out from the crowd.

The training conducted by the GDA Secretariat was valued by attendees. Training received high marks in course evaluations, field staff who attended gave positive feedback in interviews to the assessment team, and even the few people in the random sample survey who had attended the training, scored it fairly high. Course evaluations filled out at GDA training programs showed that participants most valued the private sector panels. Examples of alliances, ideas for future alliances, procurement and legal issues, and the introductory materials received high marks as informative and useful. One participant in the education sector said the GDA training caused her to think differently about partnerships. She said that she is using this new way of thinking to develop a concept paper for a new girls' education alliance.

This positive feedback is tempered by the fact that the training needed to be continued and enhanced. Originally, training participants were expected to share what they learned with their mission colleagues, but this did not work well. Many respondents reported that additional training, capacity building, and technical assistance are important. Training that introduces the GDA business model to Agency staff may still be needed in as a routine Agency training course, such as for new staff, but that now in-depth learning for those who build alliances should be emphasized. This may require technical assistance or mentoring.

In Zambia, the GDA training program was different from the regional workshops held elsewhere. The GDA Secretariat supported a training workshop for Zambia in which the potential private-sector partners were included, resulting in the private sector being better informed about USAID's alliance potential. This training approach could be useful elsewhere.

The secretariat developed an online handbook, GDA *Toolkit for Alliance*

Builders, but many staff were not aware that it existed. USAID staff who knew about the toolkit found the sample MOU particularly useful and consulted it frequently. The only other reported use was to consult the section on due diligence.

Technical assistance in initiating and building alliances was judged useful, but missions reported that they would have liked to have more. Technical assistance also played a role in keeping dialogue and learning going, as discussed in the section on communication.

Mission Characteristics

There were interesting differences in the characteristics of missions. Missions with sufficient budget, staff, and leadership have the time and resources to initiate and develop GDA alliances. Most of the missions we visited fell into this category, but it was particularly evident in Indonesia and Philippines. By contrast, some of the smaller missions were particularly creative and active in alliance-building. The smaller missions tend to talk the most about the money made available in the incentive funds.

Support for Champions and Risk Taking

Support from Bureau leadership to mission directors, and support from mission directors to mission staff, facilitate alliance-building in missions. Mission leadership that recognizes that alliances take more time and effort and that rewards such risk-taking was more successful in integrating the concept of GDA models into operations. Mission staff reported that the support of the mission director was very important in their willingness to take risks.

Champions for alliances in missions are also key, and these individuals' efforts and background in alliances combined with leadership-level engagement and support for alliance-building combine for a powerful advocacy for alliances in missions. Having one or the other is fundamental for a mission implementing alliances. Having both multiplies the efforts and results in some of the most successful GDA alliances. For example, the Sri Lanka mission is understaffed and stretched thin, expressing greater U.S. interest in Sri Lanka because of the Sri Lankan Government's support for current U.S. policies and burgeoning hope for lasting peace from the 20-year civil war. This mission could easily be excused from having large-impact alliances, but the combination of encouragement from the mission director (who sent staff to the GDA training despite the fact that staff could not be spared) and the energy and commitment of a program officer who champions alliances in the energy and environment sector, has resulted in some very promising partnerships in reduction of air pollution and ecologically correct tourism.

When the energy and creativity of the champions are supported by senior managers, risks are taken and the most innovative alliances result. Mission directors are more willing to take risks if their bureau supports them, and mission staff are more willing to take creative risks when they, in turn, are supported by their director.

Direct Involvement of USAID Staff

Sri Lanka has managed alliances directly because it did not want to use its limited resources to pay for implementation and because it preferred direct involvement. Said one staffer, "If you use an implementing partner to do implementation, I am concerned USAID will lose the closeness and the spirit of the alliance." The strongest alliances can reduce USAID's management burden. The Ghana mission director reported, "When you have a partner who has commercial interests at stake, alliances drive themselves," and cited the mission's experience with the Food Industry Alliance. The mission had invested time negotiating overlapping goals with the private-sector resource partner (who originally planned to work in hospitals) and later reaped the benefits.

A style issue alluded to earlier is shifting alliance-building to contractors and grantees. Because alliances are more time-consuming than other ways of doing business, it seems logical that USAID staff would want to delegate the responsibility of initiating and managing alliances to implementing contractors and grantees. Indeed, the Mali and Nigerian missions are leveraging resources from the private sector as a criterion in RFAs. Such missions are commended for creativity, practicality, and leveraging resources. Although no alliance in those countries was assessed, such practices have the potential to strengthen the missions' activities. Whether this is the best use of the contractors' or grantees' time is still open to question. Experience from the alliances assessed suggests that this approach of delegating alliance-building to contractors will probably not achieve the kinds of alliances that have the greatest development impact. Successful alliances of this type require shared planning and identification of shared objectives that are beyond the negotiating authority permitted to contractors and grantees. Another reason for involving USAID directly is that the private-sector partner often wants access to a top USAID official for advice and appearance to host government, which lends credibility to the private-sector partner. In addition, alliances may well have policy implications, and USAID needs be closely involved to understand the essence of the relationships' impact on these policies.

Partners in several alliances, including Solar Finance Capacity Building in India and Ecotourism and Air Pollution Reduction in Sri Lanka, said that establishing a relationship with the U.S. Government is what made the alliance a valuable investment. Conversely, in several cases the role of the U.S. Government was not attractive. One large-corporation representative in Latin America reported that a lack of interest in partnering with the U.S. Government because it was multinational and above partnership with bilateral agencies. In Jordan, an education initiative is pursuing partnerships with private-sector partners in information and communication technologies. The ministry manager, who has worked with the mission a great deal, is staying at arm's length to clearly establish the private-sector nature of the partnerships that he is pursuing, although he left a door open to future partnership with USAID, perhaps where he cannot find private-sector partners.

The alliance concept is at risk of being diluted by solutions to procurement and competition problems that cause staff to reduce alliances to business-as-usual. Although this reduces the time burden and business-as-usual is good, delegating alliance-building to contractors is less likely to engage the core business interests of partners and therefore falls short of the potential of high-impact, high-resource contributions that are the best of the GDA alliances. GDA alliances take more time and effort; therefore, the Agency should make that investment only for the alliances that provide the best return. Solutions to bureaucratic problems risk leading the Agency away from the highest-impact alliances.

Knowing Your Country

A fundamental lesson articulated by many missions is that familiarity with the business practices in the country is essential. This could be the theme for the entire assessment. In Asia, a handshake is binding and business partners found it offensive when USAID and other partners wanted to continue negotiating after the Asian partners thought the deal was struck. In other cultures, a handshake is neither sufficiently clear nor sufficiently binding. The Scholarship for Success in Morocco is managed by a small NGO that thought it had a verbal commitment from the local affiliate of a multinational for $30,000 for each of three years, but the NGO received only the first $30,000. Written agreements signed by all parties are therefore important.

A full-time resident technical advisor learns about country conditions, is there to make informed decisions, and can address issues and problems promptly. Royal Ahold's marketing expert (Ghana Food Industry Alliance) was able to speak with authority to producers and model private-sector business practices and standards. By contrast, the project manager for Energy Wise India is based in Washington and the alliance has struggled with communication and problem-solving.

All development activities are unique and need to be crafted to their specific circumstances. Joint planning means partners coming to a common understanding of a local problem and working together to plan a solution that will work best in that place. This adds layers of individuality greater than other development activities because each partner's objectives and styles play a part in responding to the local situation.

Strategic Planning

Missions only rarely had problems fitting alliances into their strategic plans. For example, the Trauma Center in Mexico was really more a target of opportunity due in part to strong political support. This project did not fit well with the mission strategic objective, which focused on preventive care. The current approach to strategic objectives in missions is so broadly interpreted and flexible that it is the rare case where a good opportunity cannot be included fairly easily. This contradicts the assertion of a bureau staff member that strategic plans are a "straightjacket" for missions.

Nevertheless, opportunities may be missed when a mission cannot fit a potential alliance into its strategic objective structure. However, it may be an opportunity that it is acceptable to miss on a case-by-case basis for several reasons:

- As scarce as staff time is in most missions, deciding to invest the time needed to nurture a successful alliance raises the question of the opportunity cost for the implementation of the mission's existing portfolio. Potentially, the mission could wind up allocating scarce staff resources to something that does not figure into the way missions receive staff allocations—on the basis of USAID resources, not partner resources.

- To act as a full partner in an alliance and make the alliance as successful as possible, USAID requires a level of knowledge and understanding of the sector or program area that is less likely if it is in an area outside the mission's strategic framework.

Lessons and Recommendations for the Agency

USAID has already made remarkable accomplishments in designing and starting significant GDA activities. The purpose of GDA is well known, encouragement to enter into public-private partnerships is well established, and successful examples of alliances exist.

1. Declare success. Phase I of GDA is a Success.

The GDA Secretariat and the leadership of USAID must be congratulated on their efforts to rapidly instill GDA as a viable methodology for achieving USAID's development objectives. In fact, it is the conclusion of the assessment team that the GDA business model has permeated the Agency and has already become a useful and accepted approach.

The purpose of GDA is well known, encouragement to enter into public-private partnerships is well established, and successful examples of alliances exist.

Alliances that brought together producers and buyers along a supply chain, such as alliances in the timber, coffee, and cocoa sectors, showed particular promise. Partnerships in information technology-based skills training, vaccines, and treated bed net distribution were also promising, although they were not the focus of the assessment. A few high-profile partnerships between extractive industries and their local communities are progressing to ensure socially and environmentally responsible operations.

The team's first recommendation to the Agency is to declare success. The GDA business model is working in all regions. Preliminary indications show that the GDA model can be an extremely effective way of advancing the Agency's development objectives.

The success of the GDA business model, particularly at the country level, is due in part to the fact that similar forms of public-private partnerships have been used for some time. The original concept of GDA recognized this fact, and deliberately built on a partnership movement already underway. Fieldwork revealed clearly that alliances are relationship-based and require a degree of trust and understanding that comes from direct and honest communication about the needs and motivations of each partner. Many activities now counted as GDA alliances grew out of years of discussion, pilot undertakings, and partnerships-in-fact not viewed as official partnerships. In fact, in its efforts to demonstrate to Congress and other outside audiences that GDA is a "new" initiative, the Agency has discounted some important efforts that were substantially underway when the

GDA was launched. Some respondents reported unhappiness with GDA alliances simply because of the new rules about how GDA alliances should be counted. Beyond that level of annoyance, the reaction was more typically to recount the many opportunities for GDA-like public-private partnerships in the functional or geographic area under discussion. This is simply another reason to declare victory and continue the process of incorporating alliances into the Agency's book of viable methodologies. It also lends weight to the assessment's conclusion that the definition of global development alliance should focus much more on developmental impact than the quantity or nature of the inputs.

In other words, if proposed alliances are effective methods of achieving development that involve significant interaction with the private sector in new ways that bring new resources to help accomplish development goals, they should be given due consideration without excessive concern about an artificial GDA definition. Although this way of looking at GDAs is less precise, the need to be precise is less evident under this approach. Moreover, it is more inclusive and more flexible at a time when these attributes are paramount virtues, if not necessities.

There is no single valid approach to building and managing alliances. A number of governance structures were successful under their specific circumstances. It is essential to include all partners in defining and recording their mutual expectations for development impact, the responsibilities and contributions of each partner, and monitoring and evaluation methods. The best alliances are those in which all partners participate in planning from the outset and feel a sense of ownership in the process and result. All of this requires flexibility.

One common reaction to the definition of GDA was that it overreaches. The idea conveyed in some GDA presentational and training material that GDA is leveraging many types of private sector flows has become a particular problem because approximately half of those private sector flows are foreign direct investment (FDI) that many people regard as irrelevant to the alliances that can be built in USAID country programs. In fact, the assessment found no evidence of increased FDI resulting from alliance activities. Business, exports, and trading activity increased, and investment spending was redirected so that more development would result from private business engagement. But the Agency does not need to claim it is leveraging FDI in developing countries, nor does evidence support this view. Therefore, this assessment recommends replacing several criteria for GDAs with new criteria that examine the developmental impact as well as the inputs of the partnership.

2. Accept that GDA is still developing.

GDA is not a grand "sea-change" concept and is a long way from becoming the only business model of the Agency, nor does the broad leadership of the Agency expect that it will ever become the main business model of the Agency. Moreover, most people do not regard it as a pillar of Agency strategy. Instead, GDA is an evolving and increasingly important business methodology that is taking hold at the country, regional, and global levels. Its potential has not yet been fully realized, but it has permeated the Agency's practice at all levels.

This is not a negative conclusion: GDA is not a top-down initiative not well accepted by career staff. GDA is emerging as an increasingly interesting and important approach. Time will tell whether the large, highly visible GDA alliances, particularly global alliances, will have the most impact; or whether the many GDA-like public-private partnerships at the country level will emerge as the dominant way of interacting with the private sector. The team's recommendations include ways to continue to grow GDA alliances, while continuing to engage in major alliances with large resource partners in new ways on a new scale.

With these broad observations in mind, the current mandate and role of the secretariat should be significantly modified for Phase II of GDA implementation. The secretariat deserves great praise for its initial success in putting GDA on the map. Thanks to the efforts of the secretariat, much has been accomplished in a few short years.

In addition, alliances take time to build and are very management-intensive. As the Agency moves into Phase II, managers need to be allowed to invest their time and attention selectively, in alliances that have the potential for significant development impact. Decisions on funding, scale, and strategies for building on successful pilot activities should include consideration of the time and management costs of building alliances.

3. Move to Phase II.

To build on this early success and continue the integration process, more of the Agency needs to share ownership of the GDA business model. The secretariat's role should be be divided among the mainstream functions of the Agency's main organizational efforts to

- engage a larger pool of talented staff
- strengthen the depth of operating bureaus' involvement
- continue to promote GDA concepts in the Agency's thinking on development.

The danger of this approach is that the energy, drive, and sense of purpose found in the separate secretariat will get lost. Many GDA proponents fear is that the bureaucracy will just turn GDA into the mush of normal business-as-usual. Indeed, this is the huge challenge facing the GDA initiative. Will it change, even incrementally, the way USAID does business, or, will it be so absorbed into the mainstream of USAID processes that it loses its excitement, energy, and developmental opportunity?

GDA has permeated Agency operations and is having an impact. At the same time, there is confusion about whether alliances are GDA Secretariat alliances or USAID bureau or mission alliances. Of course, they are all USAID alliances, but too much attention has been focused on bean-counting in the early stages. If GDA is to move beyond being an Administrator initiative (which is the current perception) to becoming an integral business model, it is time to engage on a broader front.

Specific Recommendations

1. Redefine the definition of GDA alliances.

What constitutes a GDA should be redefined. GDA alliances are part of the long USAID history of working with partners: public and private, for-profit and not-for-profit. The team proposes a GDA alliance model that is different from the many excellent forms of partnership that have preceded this initiative in the Agency and the development community. This characterization of the GDA alliance business model remains similar to the characterization used in GDA training, the GDA toolkit, and statements in the GDA Business Plan as set out in 2001. Important components still include

- sharing risk with partners
- sharing planning, responsibility, and decisionmaking among partners
- new partners and new approaches

  However, the team recommends another criterion—leveraging development impact through private-sector partner contributions. Furthermore, the private-sector contribution must combine

- cash
- technology
- knowledge

  Such contributions demonstrate the investment of the private sector to the extent that it includes shared risk. If the knowledge or technology is critical to the development impact, an alliance can still be considered a GDA alliance with no cash contribution.

  Private-sector participation in alliances can include both for-profit entities and NGOs. However, if no for-profit entity is involved, the NGO should provide a combination of knowledge, cash, and technology that is greater than its normal level of contribution to USAID activities and that should not include existing contract and grant resources.

  This modified definition still requires judgment calls and has the potential to look like any other partnership activity that USAID has done. But defining better rules for GDA alliances was not as important as moving GDA concepts forward in Agency activities.

2. Make Agency-level changes in Phase II of GDA development.

For GDA to become an integral feature of Agency operations, GDA should be included throughout Agency functions in a way that involves and motivates the many levels of Agency operations, at a minimum in strategy, funding, obtaining services, and personnel.

- *Strategy*. GDA should be emphasized in USAID strategies and be highlighted more explicitly as a valuable means to achieving development impact in the joint strategies of the Department of State and USAID, the strategic frameworks of the regional bureaus, and the country strategic plans. The Office of Policy in the Bureau for Policy and Program Coordination (or some appropriate unit in PPC) should add "strategic support for GDA" to its mandate and develop an action plan within 90 days to incorporate GDA into the strategic approach of the Agency more explicitly.

This recommendation has more substance than may first appear. Because GDA is inherently opportunistic and requires USAID to share control of resources, concerns were voiced that GDA is not "strategic." As one development officer explained, "I'm supposed to focus and concentrate my limited resources on those activities that support achievement of outcomes within our approved strategy and within my manageable interests. How can I do that under GDA? I can't even be sure that (the private sector company) will put in its share. I'll be judged a failure if the private sector changes its mind." Similar reactions were given to the question of manageable results and indicators. Just as the GDA Secretariat has led the charge in showing people that public-private partnerships are positive, policy leaders need to develop clear guidance for using GDA as a strategy to achieve results, as well as guidance on results reporting. Then it needs to ensure the Agency's program officers are also saying "It's OK!"

Similarly, if PPC develops guidelines for monitoring, evaluating, and reporting on the developmental impact of GDA, the Agency can quantify the merits of GDA that will enhance the shift in thinking about GDA. Evaluation is important in any case.

- *Funding*. The various Agency and Bureau GDA incentive funds should be eliminated. These funds served a useful function in the startup phase by stimulating interest and enthusiasm for this approach. Moreover, they demonstrated in tangible terms the commitment of Agency leadership to the GDA approach. Now, however, after the initial burst of enthusiasm, two predictable reactions have set in. First is the need to "feed the beast," so new alliances receive funding while ongoing alliances are supposed to move into the already crowded operating year budget (OYB) plans of regular mission funding. Second, because incentive funds are outside normal channels, they are not regarded as core to mission strategies. It has not been processed through the same filters, does not have the same level of mission ownership, and is frequently perceived as a way to fund an otherwise nonstrategic activity.

  It is not in the best interest of the Agency to create yet another internal funding constraint when the missions are already so hamstrung by earmarks, requirements, directives, and other funding limitations. This is particularly true because every carve-out comes from the same total USAID allocation. It makes little sense to pull out the funds with one hand and then give them back with the other. This approach presupposes that such maneuvers are necessary for missions' cooperation and participation. The better practice is make GDA a policy practice, change the procurement obstacles that make building alliances so difficult, provide the support and technical assistance that missions need to develop good GDA alliances, and hold mission directors accountable for following Agency guidance.

  Some global and regional alliances cannot be funded at the mission level; it is not recommended that all funding go through missions, but that the Agency fund GDAs just as it does other global projects.

  GDA calls for the ability to take advantage of unanticipated alliance opportunities as they present themselves, and new possibilities inevitably require seed capital at a minimum. The Agency therefore should consider maintaining a small reserve of unallocated funds for very high-priority GDA opportunities. If a new GDA opportunity is so good that it is an Agency priority, not just a mission or bureau priority, it should be able to withstand the scrutiny and competition of other demands for this kind of high-level reserve.

- *Obtaining Services*. The Agency should make it a priority to devise a new way of entering into alliances that does not depend on current grant and contracting rules. Other federal government agencies have innovative ways of entering into relationships with the private sector. Whether the Agency is obtaining services or supporting another entity, established concepts of grants and contracts do not meet the Agency's new needs. Whether it takes legislation or just an amendment to the AID Acquisition Regulations to clarify the ways to obtain services under alliances, some action is clearly needed.

A related issue is the status of the MOUs of the partners in GDA alliances. These are not currently legally binding documents. However, if "alliance agreements" can be created, then incorporating into them specific terms that clearly identify the roles and responsibilities of the parties will go a long way toward improving the ability of alliances to achieve the desired developmental goals.

If the APS device, grants, and cooperative agreements are used creatively and flexibly, the obligation of funds through contracts, grants, and cooperative agreements does not appear to be a critical bottleneck. However, most of those interviewed believe that these work-arounds are not sustainable. Three issues arise: competition, leverage ratio, and inconsistent application of the rules.

There is still much confusion about the need to require competition for alliance partners and the degree of competition that is required. Several contracting officers have used the APS process to justify awarding alliance-based cooperative agreements. However, there are several problems with the APS process. Most notably, the APS is likely to elicit replies from firms and organizations so familiar with USAID procurement rules that USAID may not reach the alliance partners it is seeking. The evidence from last year's APS process is that few serious resource partners consider a solicitation as leading to the kind of partnership they want. Inevitably they want a tailored, specific negotiation, whether an implementing partner brings them to USAID or not. Alliance competition at a high level should be encouraged so that alliances clearly in the interests of the U.S. Government can be funded without artificial, irrelevant attempts at creating competition.

This leads to the related point of using the leverage ratio of additional resources as the basis for a noncompetitive action. This is not a justification for deviating from competition. Moreover, in-kind resources can be so distorted that they cannot be valued correctly and comparably. Yet the Agency is seeking a different animal than a grant or cooperative agreement with a cost-share element. Common sense says that the Agency should be able to determine government best practice in this regard and adapt best practices from comparable areas to fit USAID's unique needs. In this regard, leveraging resources is a clear benefit to the government and should be weighed and evaluated on its own merits, not just squeezed under existing rules.

Enough experience with GDA has been gained that consistency among procurement officers should be possible. Missions trying to copy the practices of other missions have run into opposition from their contracting officers—for example, in the case of the workshop for private-sector partners that has been considered adequate competition in some cases and rejected in others.

The Procurement Policy Division is overworked with many high-priority issues. The team suggests that this is also a high priority for the Agency. One possibility is to contract out this work so that it can be done on a fast track. For many interviewees, this is an important action for continuing the growth of innovative and value-added alliances that go beyond business as usual.

- *Human Resources.* The Agency should pay more attention to the recruitment, training, motivation, and advancement of GDA champions. If GDA is such a high priority that the Agency calls it (rightly or wrongly) one of the four pillars of Agency policy, the Agency should take steps to find and motivate personnel who can be GDA champions. This is not an easy task; the Agency is facing a personnel crisis from many differing standpoints. Adding new requirements to the recruitment criteria is asking a lot. Yet a few highly motivated staff who believe in the benefits of GDA and take the extra steps needed to see good alliance ideas become realities in operation has often been the decisive factor in successful alliances.

  This recommendation has been broken down into three parts to give some ideas for attainable steps.

  – *Recruitment*. The Agency still recruits on the basis of needs identified through backstop codes. These codes are oriented to particular technical skills, rather than to abilities to manage, facilitate, or strategize. Yet they have served the Agency for many years and are the basis for a large proportion of the technical skills remaining in the Agency. To find the skills needed to develop good alliances, the Office of Human Resources has emphasized the ability to manage resources, which is "an identified skill" under the current recruitment skill matrix. This approach may not go far enough. The Agency needs more staff able to deal with the productive private sector. Thus, adding alliance-building skills to the recruitment skills matrix and defining it to encompass the type of facilitation and resource management skills, such as the ability to work with parties that bring their own resources, objectives, and requirements to the partnership, would be extremely helpful for GDA.

– *Rewards and incentives.* The Agency has already established two GDA awards and has tried in various ways to give credit to GDA alliance builders. The effort to design such rewards and incentives should be continued and strengthened. For example, to the extent that notable alliance builders are in the bonus pool, appreciation for the extra effort involved in GDA alliance building can be shown in this tangible way. Cash awards below the senior level can also be considered. Even sending someone on a trip to the field or from one mission to another can be done in a way that acknowledges and recognizes the good work preceding it. There are concrete ways to motivate good behavior that are outside of the award system, and all of these possibilities should be taken into account in the GDA context.

– *Training.* The Findings and Conclusions section describes the recommendation that GDA-specific training be modified to focus more on "how to" and less on "This is GDA." GDA best practices, skills, and approaches should also be incorporated into general Agency orientation for all staff with program management responsibilities and duties. Junior staff in particular have indicated that the risk of entering into GDA alliances needs to be offset by clear guidance and training that demonstrates to them that GDA alliances are part of the Agency's mainstream business. Instead of treating GDA as a separate, new initiative, Agency practice should be to include it as a preferred method of achieving the Agency's objectives—along with training in the tools and examples that will make it work.

– *Advancement.* One incentive that clearly rests with Agency management is the assignment process. Good assignments lead to the potential for promotion. If the Agency demonstrates that the champions of GDA will receive good onward assignments that have advancement potential, Agency staff will take GDA seriously. USAID staff recognizes that some incentives found outside government are not available in government, and they make that tradeoff. However, USAID staff also recognize that the levers of power reside with senior managers, and the desire to become a senior manager is a clear motivator. The Senior Management Group, for example, sends signals about the values, skills, attitudes, and competencies that it appreciates. If GDA champions are not only recognized but sought for highly competitive assignments in the Agency, enthusiasm for GDA will permeate the Agency.

3. *Make secretariat-level changes in Phase II of GDA development.*

In addition to broad Agency-level adjustments, the structure and responsibilities of the GDA Secretariat should also be modified. The current structure, as an appendage of the Administrator's office, is perceived as a political unit, serving the political leadership of the Agency. This is not all bad; it gives GDA the visibility and the attention that goes with the front office. It also makes the secretariat, and by extension, the GDA initiative, vulnerable to administrative turnover. For the public-private concepts of GDA to be internalized in the mainstream Agency structure and for consistency with statements that the GDA Secretariat is a temporary expediency, the GDA Secretariat should be phased out over a reasonable period (such as one year) and be succeeded by two elements in Phase II of GDA development: advocacy and alliance support.

- *Advocacy.* A senior Deputy Assistant Administrator (DAA) position should be established as the GDA advocate and central point of contact both internally and externally. As noted, the secretariat brings great energy and drive to the GDA effort. In order not to lose this enthusiasm, having a special advocate is critical to keeping GDA high on the list of Agency priorities. The Bureau for Legislative and Public Affairs (LPA) is one option for housing this position (with a small support staff) because it is the public outreach arm of the Agency and the point of contact for Congress and many elements of the private sector. Placing the advocacy role, the representational role, and the reporting function in LPA is one option. The disadvantage to LPA is that, in many ways, LPA is not mainstreamed to Agency operations, is focused on congressional issues, and is a staff arm of the incumbent Administrator as administrations change.

Another option is to house the GDA advocate in the Bureau for Policy and Program Coordination (PPC); for example, in the Office of Donor Coordination. However, this blurs two distinct functions, and is not recommended. A third option is to create an office that incorporates not only GDA but also other innovative relationship and public outreach elements. In effect, this would mainstream parts of the Agency into the public-private partnership concepts embodied in GDA rather than embedding GDA in an existing structure. For example, university relations, NGO relations, and other partnerships could use the attention and spotlight that GDA has given to alliances with the private sector. Such organizational choices are never easy, and the team did not conduct an in-depth analysis of where to locate the advocacy function, which will need internal Agency review. Wherever the Administrator decides to house the GDA advocate, though, the advocate should have several functions.

Making Risk-Taking Acceptable

One mission staffer stated, "The GDA initiative and expectations laid by the ANE Bureau have allowed USAID program staff 'the cover' to take certain risks in forming alliances that they would not ordinarily have taken. It set the stage that made it acceptable to take risks and sometimes fail."

- *Advocacy, communication, and champion.* The position should serve as the internal and external point of contact for top-level GDA issues and initiatives. To strengthen the GDA initiative, USAID needs to continue to present one GDA face to the rest of the government. This ensures a consistent message and communication of ideas, and promotes greater coordination and partnership possibilities. This same consistency will be translated throughout the Agency if the advocate continues to provide center-driven internal support to the alliance concept. The advocate should bring this top-level view and support to the GDA initiative.

The advocate should also act as the main interlocutor between USAID and the private sector on issues concerning the GDA. Potential private-sector partners need to have one central place to interact with the Agency. Large-scale, multiregional partnerships affecting multiple missions and bureaus have the potential for extremely positive development impacts. To create these partnerships, USAID must maintain a central GDA organization that can dialogue with multinational corporations and global organizations on terms that provide Agencywide representation, rather than defaulting to the mission or regional bureau level.

Similarly, the advocate should be responsible for outreach to the private sector, especially involving large multinational corporations. Marketing, networking, and seeking synergies between private-sector goals and USAID's development goals should be a main component of the advocate's role. When outreach and dialogue have occurred with the private sector, the advocate should also be able to negotiate specific large-scale alliances with private-sector partners, working closely with the designated implementing arm of the Agency, or be able to delegate to others in the Agency as appropriate.

In addition, the advocate should be the primary proponent and communicator of GDA issues with Congress.

Finally, the advocate should act as a proponent of the GDA within the Agency, marketing the value and potential of GDA alliances to missions and encouraging missions to invite private-sector participation in their activities.The advocate should continue the mission of spreading GDA principles throughout the Agency.

- *Alliance Support Office*. The second main focus of the Phase II GDA effort should be on supporting, from a central standpoint, the various Agency operating elements, particularly missions, in GDA activities. Some missions indicated that the secretariat has focused more on its alliances than on helping the missions develop alliances. Although this perception may not be accurate, a focus on field support makes a great deal of sense. Fieldwork demonstrated the importance of support and business skills in developing strong alliances. This complements the advocacy role by requiring this office to serve missions as a technical expert in GDA matters. In addition, this focus on field support necessitates that the Agency form and maintain an Agencywide network to guide alliance-building according to GDA principles.

It is hard to place the GDA field support role in one of the three pillar bureaus. Many GDA alliances are economic growth–oriented, but some of the largest and most visible are in the health sector. At the same time, the DCHA Bureau continues to house the Office of Private Voluntary Cooperation, which could theoretically be modified to encompass a GDA support function. Thus, each pillar bureau has a reason to be considered as the home of the field alliance-support role. If a new office for promoting private-sector relationships is contemplated, PPC could be a contender for not separating the functions and keeping advocacy and support together, although this has drawbacks as well.

The team recommends that the support task be assigned to the EGAT Bureau and collocated with the DCA office. Although all DCA activities are not necessarily GDA alliances, they share similar approaches. Wherever the Agency decides to house an alliance support office (ASO), the office should have the following functions:

– Create a central repository of information and expertise on alliance-building and the private sector's involvement in development and collect best practices from missions and the private sector and compiling them. This will build the Agency's intellectual capital in alliance-building and make the ASO the Agency expert on GDA alliance best practices.

– Institute a knowledge management system, including computer databases and websites to promote information sharing throughout USAID, maintain the system, and market its use to missions. This will support missions in decisionmaking about GDA alliances, and will enable missions to learn lessons and best practices from other missions.

– Serve as GDA expert in USAID by disseminaing information and providing technical assistance to missions on how to establish GDA alliances. This can involve several mechanisms, which are not mutually exclusive and do not need to be instituted simultaneously. Suggested initiatives include the following:

  - Teams of ASO staff traveling to missions for short periods during the identification and setup phases of alliances, organized and functioning similarly to the DCA teams

  - Making presentations to mission staff, implementers, and potential partners on examples of successful alliances and alliance concepts

  - Refining approaches as lessons are learned and disseminating those refinements

  - Assisting cross-mission support efforts, including making mission-based champions available for advice and counsel

  - Providing a support network

Although the ASO will provide technical expertise to missions directly, knowledge can be shared throughout the Agency and missions can gain GDA support through other mechanisms as well. The ASO should formalize a support network for missions to help them establish and run GDA alliances. This network would complement the ASO staff's role as technical experts and trainers and include:

– *champions*, including staff with knowledge of working within the Agency's framework to establish and implement GDA alliances.

– *bureau alliance experts,* including one or several staff at regional bureaus dedicated solely to fostering private-sector relationships and alliance building.

– *private sector experts,* such as consultants with current knowledge of the private sector and of how alliances work from the private side, as well as the ability to speak the languages of both sides.

Annex 1. Scope of Work

Promoting Alliances and Partnerships to Achieve U.S. Government Development Assistance Objectives: An Interim Assessment of USAID's Global Development Alliance

Background

USAID's Global Development Alliance (GDA) was announced in 2001. Its purpose has been to actively promote the use of strategic alliances with private- and public-sector partners by USAID as a business model for achieving U.S. Government development assistance objectives. Trade development is an important component of the program.

The GDA's public-private alliances business model is premised on the dramatic shift in patterns of financial flows from the United States to the developing world, where private resources, once representing only 30 percent of such flows, now predominate with 80 percent of reported flows.[3] Combining this new reality with the Agency's long experience working in partnership with others (PVC's matching grant program, the work of the Business Development Office, the New Partnership Initiative, etc.), the GDA business model was first proposed by the USAID Transition Team preparing for the Bush administration, and enthusiastically embraced by Administrator Natsios and Secretary Powell.

The GDA initiative sought to link the fast-growing stream of private financing to the U.S. Government's own development assistance programming to maximize the impact of both. By working in strategic alliances, each partner can bring its own comparative advantage to bear on development problems of common interest and concern—whether that advantage is in the form of additional financing that wouldn't otherwise be available, a proprietary technology or specialized expertise, or a network of contacts with private businesses or public-sector officials. The result of working in such strategic partnerships with private businesses, foundations, or NGOs would have a greater development impact than could be achieved if each partner operated independently.

Currently the public-private alliances business model consists of the five major elements as follows:

- *Shared risk and responsibility*. Working with private partners who, because they each have a strategic interest in common with USAID's development priorities, are willing to shoulder a substantial share of the responsibility and risk in addressing a development problem of common concern.

3 A question for empirical study is the extent to which these new flows are going to the least developed countries.

- *Joint planning.* Defining jointly with partners the development problem to be addressed, and arriving at an agreed solution and plan of action.
- *Resource leveraging.* Leveraging a substantial resource contribution from all non-U.S. Government partners, such that the total partner contribution is at least equal to the amount of USAID funding provided and the contribution from private sector partners equals at least 25 percent of the USAID total (element established in 2003).
- *New partners/new approaches.* Engaging new partners, or working with traditional partners in new ways, to bring to bear innovative thinking and approaches on the development challenges being addressed.
- *Procedural reform of USAID operating systems.* Streamlining and reforming selected USAID business practices to accommodate and encourage close and mutually rewarding collaboration with private sector partners. This element underlies all other elements of the model.

To advance GDA objectives and mainstream the public-private alliances business model throughout Agency operations, the Agency established the GDA Secretariat, a temporary unit reporting to the USAID Administrator. Funds were set aside from the FY 2002 and FY 2003 budgets to finance start-up alliances using the public-private alliances business model. Some of these funds were allocated by the GDA Secretariat from a GDA incentive fund; others were set aside out of bureau budgets and allocated by bureaus to promising alliance proposals submitted by missions. In addition, many missions provided funding out of their own budgets for alliances that emerged from their own program planning work.

In anticipation of eventual demobilization of the GDA Secretariat, the Agency has proposed that an assessment of the GDA initiative be done to inform and shape policy and organizational decisions on how public-private alliances will be implemented through and beyond that transition. The PPC bureau and the GDA Secretariat are collaborating on this assessment.

Assessment Objectives

Using public-private alliances in USAID's development work is of unquestioned importance. Yet there are questions about how best to do this and what level of resources should be committed to it. These questions are being addressed at this time since organizational and policy decisions affecting the future of the GDA Secretariat will be made in early 2004.

These decisions include the future role and responsibilities of the GDA Secretariat, which may be dissolved as early as September 2004, and what level of staff and program resources should be allocated to GDA relative to other competing demands. The overall objective of this assessment is to inform not only these decisions about the near-term operations of the GDA Secretariat, but also the longer term role of public-private alliances in achieving USAID's objectives.

Objective #1. To determine the future role and responsibilities of the GDA Secretariat, the Agency needs to know to what extent the use of public-private alliances has been inculcated into the way USAID conducts its development work, and what barriers remain.

Objective #2. To determine what level of staff and program resources should be committed to public-private alliances, the Agency needs to know how effective the GDA business model can be as a development tool. To do this, the assessment will examine the implementation experience of a select number of alliances implemented to date to learn how alliances are adding value to USAID's development programs and to derive lessons learned and best practices for broader dissemination.

Objective #3. Finally, the assessment will integrate these findings with other analyses to develop broad policy and organizational options for maximizing the developmental contribution of public-private alliances, including possible adjustments to the GDA business model if indicated, and organizational strategies for facilitating their use in the USAID context. PPC and the GDA Secretariat have explicitly agreed to exclude from this assessment the set of questions concerning the reaction of the Agency's private-sector partners to working with USAID, except as it may emerge from study of implementation experiences of specific alliances.

Additional background and suggested study questions for each of these objectives are provided below.

Implementation Approach and Initial Work Plan

It is expected that the assessment will be carried out as separate, staged pieces of work, using a combination of internal Agency staff from PPC/CDIE, GDA Secretariat, Management Systems International's (MSI's) contract staff who currently are on contract to support the GDA Secretariat, selected operating bureaus, and external consultants. Initial implementation will proceed as follows:

Step 1. MSI/GDA will conduct a literature search of early planning documents to record and specify GDA objectives.

Step 2. MSI/GDA, with PPC/DEI, will compile an inventory of accomplishments in the area of each objective identified in literature search. The GDA Secretariat will also assemble key background documents for the evaluators to review.

Step 3. Using the GDA database, MSI/GDA will prepare an analytical profile of the FY 2002 alliances, identifying sectoral, regional, and size distribution; breakdowns by partner type, location, nature of contribution and role, and partner mix; and USAID funding source.

Step 4. PPC/CDIE will send out an e-mail soliciting questions from stakeholders on what they would like to see the assessment cover.

Step 5. PPC/CDIE will make arrangements so that contractors can be hired.

Step 6. GDA staff, PPC/CDIE, and at least one external advisor will develop an assessment workplan designed to address the objectives described above. This plan will further refine and focus the suggested study questions and further define indicators, sample selection, staffing, and timeline.

Step 7. External consultants, with assistance from GDA and other bureau staff as available, will lead the assessment based on the plan agreed with PPC and GDA Secretariat.

It is expected that Steps 1–5 can be completed by end-August. Step 6 (assessment design) could begin in September (interviews, document review) and completed no later than mid-October (including review and approval by the GDA Secretariat). Field work could begin in late October and be completed by end-December. Analysis of findings would be done in January. Draft findings would be presented to the GDA Secretariat and PPC/CDIE in February. A workshop would be held in late February to present and refine the findings. A final report would be submitted by the contractors in March.

Detailed Draft Study Questions

Objective #1. To what extent has the idea of strategic partnerships and leveraging private sector resources been inculcated into USAID's development work? What remains to be done?

Widespread application of the public-private alliances business model, or "mainstreaming" of the model, requires substantial organizational change. This includes not only how technical specialists go about designing USAID's field activities, but also how USAID provides funds and handles contracting. Some USAID procedures and policies could be improved to foster alliances, and many USAID employees will need to have new knowledge, skills, and even attitudes. The primary mandate of the GDA Secretariat is to lead and guide the organizational change needed to successfully "mainstream" the public-private alliances business model. This part of the assessment will examine how successful has the GDA Secretariat been in effecting the needed organizational changes, and what more remains to be done.

Some suggested questions include:

1. To what extent has the public-private alliances model been applied to USAID programs and are there any discernible patterns in the geographic and sectoral distribution of public-private alliances (such as trade development)? How successful has USAID been in developing three categories of alliances according to funding source: GDA core funds, bureau funds, and mission funds? What have been the roles played by the regional and pillar bureaus, and the missions, vis-à-vis the secretariat? Should part of mainstreaming be integrating the secretariat into the regional bureaus (this relates directly to the ANE add-on study described in the annex)? Factors to consider should include both organizational and procedural factors internal to USAID and external factors, such as country or sector characteristics.
2. To what extent have there been observable changes in knowledge/attitudes/behavior that signal a growing acceptance of and ability to apply the

GDA business model? To what can these changes be attributed (e.g., participation in training, characteristics of professional experience and expertise, degree of support from mission or office management)? What seem to be remaining barriers?

2. To what extent have Agency operational procedures and policies been reformed and streamlined to facilitate use of the public-private alliances? What has been the experience with specific innovations, especially in the procurement arena? What are the best practices in rewarding initiative vs. fostering competition, and in dealing with the appearance of conflict of interest? Particular innovations to explore include: 1) the Agency-wide APS (a contracting mechanism to solicit new proposals and new partners), 2) the use of the MOBIS contracting process through the Department of Interior, 3) USAID/Mali's experience using RFAs to encourage prospective bidders to bring in resource partners, and 4) any other mission-initiated innovations that might be instructive.

3. What has worked, and what are the principal barriers remaining to a fuller utilization of the public-private alliances business model? Consideration should be given to: 1) any remaining gaps in knowledge and skills needed in alliance-building, 2) persistent legal or regulatory barriers, 3) adequacy of staff incentives and rewards, 4) clarity of policy and guidance, and 5) availability of needed staff and budgetary resources. Some effort should be made to identify which of the identified barriers seem to be the most limiting.

This part of the assessment would be based heavily upon desk review of relevant documentation (as opposed to field data collection) available in Washington (background planning documents, Agency notices, ADS, GDA website, GDA training materials and workshop evaluation forms, notes from meetings of the public-private alliances mainstreaming group); analysis of patterns in GDA alliances using GDA database; interviews with GDA and other Agency staff; and phone and e-mail surveys of selected staff. It would be complemented with findings from field work conducted to address Objective #2.

Level of Effort

- 1 mid-level program anlyst: 26 days
- 1 senior-level program analyst: 5 days
- 1 senior-level program analyst: 5 days

Objective #2. What lessons have we learned from field implementation experience about applying the GDA business model and its potential contribution to development results?

The Agency adopted the GDA business model because it promised important benefits that could enhance the Agency's ability to achieve development results. These benefits were, first, the additional resources leveraged from private sector partners that could be brought to bear on development problems of mutual interest through an alliance; second, the process of jointly defining the development problem and appropriate solutions would reduce duplication of effort and promote more coherent and comprehensive program design; third, the sharing of both risk and responsibility among partners would ensure commitment and continuity of effort; and fourth, the engagement of new partners or new approaches would enrich the pool of ideas and technical solutions available to address persistent development problems. Taken in combination, these elements of the GDA business model would bring significant value-added to USAID programs enhancing development impact.

While it is far too early to assess the development impact of GDA activities, the team can begin to look at these anticipated benefits of the model, as features contributing to enhancing the development impact of USAID programs. This part of the assessment is designed to examine how some of the more promising public-private alliances have incorporated these features and what difference they are making to how those programs are being designed and implemented, and to their development impact. In addition, in the course of conducting this part of the assessment, the assessment team will be asked to identify and document best practices in public-private alliances design and implementation that can be more broadly disseminated.

This part of the assessment will be based on both a desk analysis of FY 2002 alliances in the GDA database as well as on an indepth analysis in the field of the implementation experience of a select number of public-private alliances which have particular promise: namely, they fully embody the GDA business model in terms of joint planning, shared risk/responsibility, and leveraged resources; they are robustly designed; and they are in full implementation. We will also aim to examine a variety of alliance "types" (e.g., by sector and partner type) to the extent permitted by time and budget. In this way, the team can focus on what elements of the model have been successfully applied, what difference they are likely to make to development outcomes, and what factors may contribute to that success for different kinds of alliances or alliances operating in different kinds of circumstances. (Alliance "types" will be drawn from an analysis of the FY 2002 public-private alliances in the GDA database.)

For each alliance studied, some suggested questions include:

1. Is the GDA model bringing new partners and new approaches? Is it affecting how Agency programs are selected, designed, and implemented? How are those changes likely to affect the achievement of development results from Agency programs?

2. What has been the experience in leveraging additional private sector money under GDA, in terms of both quantity and quality? With respect to the former, have all public-private alliances met the threshold leverage ratio? Are there any discernible patterns in resource leveraging across countries, sectors, or partner types? What observations can be made about the quality of resources that have been leveraged, e.g., timeliness, appropriateness of expertise, and/or technology contributed? What factors seem to affect the quantity and quality of leveraged resources (partner type or size, sector or subsector focus, country, partner motivation, etc.)?

3. What has been the experience in joint planning and problemsolving by USAID and partners? Where there have been different levels of participation, what factors seem to explain these differences? What processes, governance structures, and practices have supported this collaboration? What has impeded it? Has the GDA Secretariat provided timely and sufficient support to other operating units?

4. What kinds of risks are being shared among participating partners? Does the magnitude of risks involved affect or reflect the degree of engagement by the partner, other partners, and the host government? Are there differences in how the different partners view public relations risk? What strategies are being used to manage different kinds of risks?

5. How has the effectiveness and character of the partnership between USAID and its private sector alliance partners affected the design and implementation? What practices or structures have been most effective in establishing and sustaining effective partnerships with new partners? With traditional partners? Are some of these more effective with particular kinds of partners (large corporations, smaller indigenous businesses, U.S. foundations, etc.)? How have the alliances affected interaction with local customers/clients?

6. What have been the additional staff and management requirements of designing and managing public-private alliances? Where do these largely fall: in outreach, in finding ways to use standard USAID procedures, in negotiating agreement, in broader accountability, in working with more complex management structures? Have there been any circumstances in which alliances reduced USAID's project design or management burden? If so, what are they? If the mission is slated for changes in staffing levels due to USAID's template/rightsizing efforts, how will that affect the ability to foster alliances?

7. How has the availability of additional private-sector resources and/or participation by private-sector partners in joint planning led to: 1) support for achieving existing SOs, 2) new SOs, 3) changes in USAID's overall strategic plan, or 4) changes in the use and impact of partner funds? Are these changes good or bad?

8. Is it possible to discern a "profile of success" in alliance building, taking into account the nature of the alliance activity, the types of partners involved, and various "process" factors that might emerge from this review? What observations can be made about what alliance design features, partner characteristics, mission operating styles, and/or country circumstances seem most conducive to smooth alliance implementation?

Level of Effort

(This calculation assumes two in AFR, two in LAC, and six in ANE. The one field trip to a country in the Europe and Eurasia Bureau picked up under the Checchi/Berger contract is not included below). The team would budget for one external consultant to make six country visits of one week each, and include some extra for up to two shorter visits to additional countries where there has not been much GDA work. The countries would include Indonesia, Philippines, two from the South Asian subcontinent, two from the Middle/Near East region, and up to two more. Bangladesh may be included for a shorter visit.

- 1 mid-level program analyst: 25 days (includes U.S. home office five days preparation, three days report analysis and writing, seven days travel, and nine days in up to three South Asian countries).
- 1 mid-level program analyst: 22 days (includes U.S. home office three days preparation, three days report analysis and writing, six days travel, and ten days in up to two Middle East/Near East/North African countries).
- 1 mid-level program analyst: 24 days (includes U.S. home office five days preparation, three days report analysis and writing, six days travel, and ten days in Indonesia and the Philippines).
- 1 mid-level program analyst: 24 days (includes U.S. home office five days preparation, three days report analysis and writing, six days travel, and ten days in two African countries).
- 1 senior-level program analyst: 24 days (includes U.S. home office five days preparation, three days report analysis and writing, six days travel, and ten days in two African countries).
- 1 mid-level program analyst: 20 days (includes U.S. home office three days preparation, three days report analysis and writing, four days travel, and ten days in two Latin American countries).
- 1 mid-level program analyst: 15 days in home office to analyze data and draft synthesis report on objectives 1 and 2.
- Airfare for travel to three regions: $?
- Per diem: $?
- Miscellaneous expenses: $?

Objective #3: How can USAID maximize the value of public-private alliances as a development tool? What organizational strategies can enhance this effort?

This part of the assessment will explore options for enhancing the contribution of public-private alliances as a development tool (in terms of both operational feasibility and potential development impact). It will also make specific policy and organizational recommendations.

This part of the assessment will rely on findings from this and any other available assessments (e.g., by missions or bureaus) of public-private alliances, and on interviews with officials both inside and outside the Agency. External sources might include officials from other U.S. Government agencies, donor organizations, private organizations and businesses (including those in on-going partnerships with USAID), and academia.

Some suggested study questions include:

1. How does the GDA business model fit into USAID's broader sustainable development paradigm? Does the business model need to incorporate more systematically policy reform and institutional development, not only for program effectiveness, but also for ensuring sustained increases in capital flows for development?
2. Is GDA maximizing its potential to influence and/or catalyze major private resource flows beyond the initial alliance? Consider capital flows from trade, FDI, philanthropy, and remittances. Should USAID explicitly encourage corporate social responsibility as part of the model?
3. In addition to leveraging resources, the GDA model is also about providing experience with public-private collaboration and models of synergies from working across the public-private sector divide. To what extent has the GDA model figured out how to identify and foster those alliances that are the most catalytic to broader development?
4. To what extent are public-private alliances a useful tool for addressing conflict resolution, failed states, non-presence countries, humanitarian relief/reconstruction, and potential Millennium Challenge Corporation countries? Should the Agency seek to adapt the GDA model to meet such circumstances?
5. What responsibilities now being performed by the GDA Secretariat should be transferred to other units, and what should be retained by the secretariat, or dropped? What new ones may need to be added? The answer to this question will benefit from the answers to the questions under Objectives 2 and 3.

Level of Effort

- 1 mid-level program analyst: 4 days
- 1 senior-level program analyst: 20 days
- Other direct costs: $600

Deliverables

1. Report covering objectives 1, 2, and 3. The report will be less than 50 pages single-spaced, font 12. It should contain an abstract and an executive summary of five pages or less. Additional information above this page limit must include a list of contacts, miscellaneous but important field trip notes, questionnaires, bibliography (if useful), and data summaries.
2. As an annex to the above report, but as a stand-alone document, will be a report specific to the ANE Bureau. Individual country profiles for each ANE country covered in the field work would be grouped as Middle East, South Asia, or Southeast Asia.
3. A three-hour workshop for up to 60 people to be held in USAID's Point Four Conference room. Light refreshments (less than $300). Invitations will be handled by MSI, but Academy for Educational Development (AED) will be asked to contract with up to two people who would serve as expert panelists.

Annex to Annex I

ANE Bureau Participation in GDA/PPC Midterm Assessment

The Office of Strategic Planning and Economic Studies in the ANE Bureau has requested that a separate analysis and report be done as part of the worldwide GDA assessment to address issues of particular concern to ANE missions and bureau management. These issues fall well within the framework for the planned assessment, and, with one minor exception (see #2 below), can readily be incorporated without substantive adjustments to the planned methodology. The issues are identified below, along with a reference (in italics) to where they would fit in the context of the agreed assessment framework, and, in the case of the exception, how it can be accommodated:

1. What progress is being made in the alliances funded to date from the ANE Bureau alliance incentive fund? Are they proving to have been good investments? Should we continue the mission incentive fund? Should ANE provide more technical assistance? Any other ideas for what a committed regional bureau should do to push this aggressively along?

See objective #2, especially questions #1 and #7. Alliances funded from the ANE Bureau incentive fund are in the GDA database of FY 2002-funded alliances, and so are included among those to be sampled for the fieldwork.

2. What other alliances have been funded from the mission's own budgets? How are they progressing? Are they proving to be good investments? Do they differ in any important respects from those funded from the bureau incentive fund?

This issue will require adding to the sample of alliances to be studied in the ANE fieldwork selected mission-funded alliances not included in the GDA database. It will require in turn that the assessment team collect basic data on those alliances and that the countries selected for ANE fieldwork include both alliances funded from the ANE incentive fund as well as alliances funded from the mission's budget.

3. What can be said about the effectiveness of the bureau incentive fund in promoting the use of public-private alliances in the region? Considering both the process and criteria used, what features of the fund's operation have proven to be important in achieving its objectives?

See objective #1, question #1.

4. What other organizational factors have been important in determining how effectively missions have used alliances in their development program? These should include both bureau actions as well as those taken at the mission level, e.g., the availability of TA and/or training, the expertise and/or experience of available mission staff (e.g., prior experience in partnering with private sector under earlier bureau or Agency initiatives), support by embassy and other U.S. Government agencies, etc.

See objective #1, especially question #1. Also, with respect to mission-level organi-

zational and procedural factors, objective #2, question #8.

5. Reviewing the distinct approaches taken in the last two years by ANE, other bureaus, and the GDA Secretariat in promoting the use of public-private alliances (e.g., use of incentive funds vs. funding targets and other mechanisms), what lessons are there for ANE in mainstreaming the use of public-private alliances in its development programming?

See objective #1, especially question #1. Also, objective #3, question #5 may identify functions and roles that might be carried out by regional bureaus to support broader use of public-private alliances in the future.

It is proposed that ANE's participation in the assessment be organized as follows:

- ANE will pick up all the direct costs of fieldwork to be done in that region, including preparation (including collecting basic data on mission-funded alliances) and report-writing. ANE would select its own consultant, if it so choses, who would be contracted under a PPC contract mechanism and who would work under the general direction of the GDA assessment team leader.
- The fieldwork funded by ANE will be done in countries selected by the bureau, following the general guidance provided in the assessment framework paper, as adjusted per #2 above. It will follow the protocol drawn up for the worldwide assessment, and expanded to address the particular issues listed above.
- Findings from the ANE fieldwork would be integrated into the overall assessment report and the ANE-funded consultant would participate as a member of the overall team in analysis and presentation of findings, and report-writing. In addition, (s)he would prepare a separate report presenting findings, conclusions, and recommendations following guidelines provided by the ANE Bureau.

These arrangements will be reflected in the contracted statement of work.

Annex 2. Assessment Methods

Scope of Work Assessment Questions

The scope of work identified three assessment questions as follows:

1. To what extent have the ideas of strategic partnerships and leveraging resources been inculcated into the way USAID conducts its development work?

2. What lessons has the Agency learned from field implementation experience about applying the GDA business model and its potential contribution to development results?

3. How does the GDA business model fit into the broader sustainable development paradigm?

The four means of data gathering for this assessment included:

1. Background documentation

   Although GDA is new, it has left a paper trail. The MSI support project was helpful in providing background information, including

   - A list of alliances from the GDA database.

   - A summary of all the evaluations filled out by the participants of the full workshops provided by the GDA Secretariat. Other workshops of shorter duration did not have evaluation forms.

   - Data sheets from the GDA database.

   - Volumes of other memos, write-ups, annual reports, etc.

2. Interviews in Washington

   Over sixty interviews were conducted with USAID and contractors in Washington. The Washington interviews served to:

   - assess knowledge and attitudes of USAID staff in Washington

   - gather information and views on organizational issues

   - collect information on the fieldwork alliances from knowledgeable Washington sources

3. A web-based survey of randomly selected usaid.gov e-mail addresses. The survey was one of the best sources for information on the knowledge and attitudes of USAID staff. Some information was also collected on alliances in which respondents were involved and what their experiences were.

4. Brief field visits by two-person teams to:

   - Ghana—Wendy Stickel and Jill Jackson

   - India—Dan O'Brien and Caryn Sweeney

- Indonesia—Don Pressley and Jill Jackson
- Jordan—Cynthia Clapp-Wincek and Katie Croake
- Mexico—Woody Navin and Lane Vanderslice
- Morocco—Cynthia Clapp-Wincek and Katie Croake
- Peru—Woody Navin and Lane Vanderslice
- Philippines—Dan O'Brien
- Sri Lanka—Dan O'Brien and Caryn Sweeney
- Zambia—Jeff Swedberg and Jill Jackson

The ANE Bureau had planned its own assessment, requested field visits to six countries, and provided the funding. In spite of long and innovative experience with public-private partnerships, the Europe and Eurasia Bureau had a slower start in the GDA initiative and reported public-private alliances as GDA alliances.

Country selection

Most countries were selected for the high quality of their alliances. These were picked because they had the most mature alliances that would provide the most material for the team to identify best practices and lessons. Morocco and Jordan were added by the ANE Bureau for geographic balance although they did not have the same depth of experience of the other countries. There will be further discussion of those two countries.

Fieldwork

In each country, the team started with lists from a database managed by the secretariat's support contract. There was already concern about the quality and accuracy of the information on these lists when the teams began their work.[4] Starting with this information and after interviewing mission staff, the team identified over 50 alliances to investigate. Some alliances were not analyzed, in part because teams were in countries for only one week and had to focus in depth on some alliances, collecting partial information on others.

Teams interviewed mission staff and partners. Interview guides were developed for several types of interviews. The guide and the advice to team members on the use of the guide are included at the end of this appendix.

Team analysis

The team met for three days in January 2004 to compare and contrast team member experiences and to come to a common understanding of findings and conclusions. These serve as the basis for the field work part of the findings and conclusions section of the main report. The team also discussed recommendations from the perspective of what had been learned in the fieldwork.

4 While the teams were in the field, the secretariat issued a notice to all missions asking them to submit further information on alliances. This was not likely to improve the data in the database for several reasons. First, everything reported as an alliance is not an alliance. Missions are not sure what the definition of an alliance is and indeed asked assessment team members what should be reported. Second, the financial data are not consistent across countries: estimating partner contributions, particularly in-kind contributions is inexact. Finally, the team found substantial errors in what missions were planning to submit.

At the team meeting, the whole team reviewed each alliance against the four criteria (using "leverage development impact" rather than leverage ratio) and characterized many of the alliances as either pre-alliances, pre-alliance projects, or other variations of development efforts that had private sector participation but did not meet enough criteria to be GDA alliances. Many of these were excellent development activities of one form or another, including projects with interesting elements of innovation that did not meet all the criteria for alliances. This left 25 alliances (see annex 4) that the team concluded met the criteria of the GDA business model.

Annex to Annex 2. USAID Field Interview Guides

(Prepared November 6, 2003 for the Global Development Alliance Midterm Assessment for use by team members conducting interviews.)

Interview Guides

- Alliance Managers Field Interview Guide
- Mission Directors or Deputy Directors Interview Guide
- Program Officers Interview Guide
- Contracting Officers Interview Guide
- Partner Global Alliance Field Interview Guide

There are separate interview protocols for each of these categories. There is substantial overlap among them, but for ease of use they have been drawn up as separate protocols. SO team leaders will also be interviewed but there is not a separate version for them. Depending on the size of the mission or the level of involvement of the SO team leader in alliances, use either the alliance manager guide or the program officer guide.

Begin interviews with a brief statement along the lines of:

> We are here to gather information for the GDA Midterm Assessment which will be used to inform policy and organizational decisions coming up this winter. That is why there is pressure to get the fieldwork done so quickly.
>
> If you need more add: assess knowledge/attitudes/skills, learn about field experiences, identify best practices, and lessons learned.

Definition of GDA Alliance

The operative term is the redundant "GDA alliance" as with the working definition of:

> The GDA is a business model of collaboration between USAID and private-sector partners using combined resources to collectively define and solve a development problem.

This is short of the full definition with all four characteristics. But we were concerned that the full definition would rule out too much at the beginning of the interviews.

Alliance Summary Data Sheets and Partner Lists

Instructions to team participants:

> You have been given a set of electronic files with a one-page summary data sheets for each alliance we know about in the country you are visiting. The data in each summary came from the GDA database, which contains information supplied to the GDA Secretariat by the managing mission or bureau. Some of this data may be incorrect, out-of-date, or incomplete; please make any corrections or up-dates you can make readily. The summary is provided to you as a point of departure for filling in the Alliance Data Sheet (see the Alliance Managers Field Interview Guide and the Partners Interview Guide).

A few notes on terms in the data sheets: "Mechanism" refers to financing arrangements, namely "Pooled vs. Parallel Financing"; "Relevance to SO" refers to linkage to mission's strategic objectives or other program goals (e.g., WSSD identifies alliance is supporting U.S. Government commitment to goals agreed at World Summit on Sustainable Development).

Also, where an alliance is identified as "Regional" or "Worldwide," the list of partners includes ALL partners working on the alliance, whether or not they are working in the country you are visiting. The mission will need to help you identify which partners are relevant to the specific alliance operations in your country.

Global Development Alliance Data Sheet
USAID

Name of Global Alliance: ____

USAID Sector: ____

Value of Alliance in U.S. Dollars: U.S. Government______________ Partners_____________

Name and Position of Person Interviewed (primary contact for this information):

____

Location and Date of Interview:

____

Brief Description of the Alliance:

Names of the Alliance Partners:
Allocation of Resources:

Name of Partner	Type of Resource Contributed	**Value of Resource**

Name of Organization	Type of Organization (USAID, host government, NGO, university, business, other)

USAID Alliance Manager
Field Interview Guide

1. Describe how this alliance got started. Who had the idea for a global alliance? Who made the initial contact and how did the idea or concept develop?

2. Describe the process for identifying alliance partners. Are they new partners for your mission?

3. What were the main reasons that the mission pursued this alliance?

4. Is the alliance related to the mission's strategic plan? If so, how?

5. Please describe the alliance planning process and touch on these issues:

   Participants in the planning phase

   Identification and allocation of responsibilities (who does what)

   Risk areas and how they are managed

   Decisionmaking processes

6. How were alliance resources identified, and what was the process to determine what contributions each alliance partner would make? How do they compare to the non-alliance portfolio? (watching for in-kind contributions)

7. Did you receive technical or financial assistance from the GDA Secretariat, USAID/Washington, or anyone else in planning and supporting the alliance? If so, please explain, including any use of incentive funds. Also, if you used the GDA Toolkit, please comment on its usefulness.

8. What are the main obstacles to implementing the alliance? Please tell me about any specific problems with contracts, legal issues, management burden or attitudes of any of the partners including USAID staff.

9. Describe how decisions are made and whether you are satisfied with this process. (watching for governance structure)

10. How do alliance partners communicate with each other during its implementation? For example, do they use meetings, e-mail, telephone calls, or some combination of these?

11. Describe any surprises or problems (i.e., risks) the alliance has faced and how the partners have dealt with them.

12. Describe specific examples of new ideas or approaches that the partners bring to this alliance and any evidence that the alliance is having an impact on development in the country.

13. What are the major lessons you have learned so far in planning and implementing the alliance?

14. Are there any plans to evaluate the project? If so, how will the evaluation be carried out and how will the partners define success?

15. Do you believe the alliance is providing value to USAID and its strategic objectives? Is this alliance bringing anything a traditional USAID approach wouldn't have brought?

Name of Interviewee________________________________

Position of Interviewee_______________________________

Years with USAID__________________________________

Years of private sector experience, if any_______________

Interviewed by_____________________________________

Date of interview____________________________________

Mission Directors and/or Deputy Directors Field Interview Guide

1. Are GDA alliances an effective tool to achieve development impact? (clarify definition of GDA if necessary). Could they be?

2. Do you think your alliances will bring benefits to your program and to development in this country that could not be brought if you had pursued a more traditional approach in this development area? If so, what are these? If not, why not?

3. What has worked well in your mission's experience in building alliances? What barriers have made it difficult to initiate and build alliances?

4. Have you become involved in any alliances, and do GDA alliances demand more of your time and attention than traditional USAID programming approaches?

5. What recommendations would you make to Andrew Natsios based on your experience designing and implementing alliances?

Name of Interviewee________________________________

Position of Interviewee______________________________

Years with USAID__________________________________

Years of private sector experience, if any_______________

Interviewed by______________________________________

Date of interview____________________________________

Program Officers Interview Guide

1. Are GDA alliances an effective tool to achieve development impact? (clarify definition as necessary) Could they be?

2. Do you think your alliances will bring benefits to your program and to development in this country that could not be achieved if you had pursued a more traditional USAID approach?

3. Describe the mission's [or SO team's] process for identifying alliance opportunities.

    (Watch for systematic and proactive, or reactive)

4. What factors have been most significant in promoting the initiation and development of alliances in your mission? What barriers have made it difficult to initiate and build alliances? (Prompt as needed: Bureau incentive funds, signals from Agency leadership, TA or other support, etc. Barriers prompt: time, budget, lack of skills, etc.)

5. What steps has the mission taken to integrate/mainstream GDA alliances into your program?

    Specific questions:

    Have you adjusted the mission strategy?

    Have you made any organizational changes?

    Has your budgeting process taken any special account of GDAs?

6. Have you become involved in any alliances, and do GDA alliances demand more of your time and attention than traditional USAID programming approaches?

7. How are you evaluating and reporting on results?

    How does this fit with standard USAID requirements on results reporting?

    Is each partner tracking results that are important to that partner, or is there a common plan that integrates the priority information needs from all partners?

    How do partners define "success"?

8. What recommendations would you make to Andrew Natsios based on your experience designing and implementing alliances?

Name of Interviewee_______________________

Years with USAID_________________________

Years of private sector experience, if any______________

Interviewed by____________________________

Date of interview__________________________

Regional Contracting Officers and Contracting Specialists Interview Guide

1. Do you think GDA alliances are or can be an effective tool to achieve development impact?

2. Have you become involved in the design or negotiation of any alliances, or in dealing with implementation matters? If so, what has your role been? Do you foresee this role continuing in future alliance work, or do you think it will change? Why?

3. Do you think GDA alliances demand more of your time and attention than traditional USAID programming approaches?

4. Can you describe the most challenging difficulty you or your colleagues have faced in putting together an alliance and how it was overcome? (Prompt: Where do you go when you need help?)

5. What do you think has worked well in your alliance building experience? What would you do differently?

6. What recommendations would you make to OP or GC based on your experience designing and implementing alliances?

Name of Interviewee______________________________

Years with USAID________________________________

Years private sector experience, if any_______________

Interviewed by___________________________________

Date of interview_________________________________

Partner Global Development Alliance
Background Sheet

Name of Global Alliance: ____

Name of Partner Organization: ____

Partner's Contribution: ____

Type of Organization: ____

Industry Sector (businesses only): _____________________________________

Name and Position of Person Interviewed: _______________________________

Location and Date of Interview: _______________________________________

Partner Global Alliance Field Interview Guide

1. Who had the idea for a Global alliance project? Who made the initial contact and how did the idea or concept develop? What role did your headquarters or corporate office play?

2. What were the main reasons that your organization pursued this alliance? If this is a business, is it undertaking this alliance project for purely philanthropic reasons, business reasons, or some combination of the two? Please explain.

3. Is the alliance related to your country strategy and/or business plan? If so, how?

4. Please describe the alliance planning process and touch on these issues:

    Who participated in the planning phase?

    How were responsibilities identified and allocated?

    How were risks identified and how are they managed?

    How are decisions made?

5. How were alliance resources identified and what was the process to determine what contributions each alliance partner would make? What specifically is your contribution to the alliance?

6. Did you receive any assistance or support from your headquarters in planning this project? If so, please explain.

7. What are the main obstacles to implementing the alliance? Please tell me about any specific problems with contracts, legal issues, government bureaucracy, or attitudes of any of the partners.

8. Describe how decisions are made and whether you are satisfied with this process.

9. How do alliance partners communicate with each other during its implementation? For example, do they use meetings, e-mail, telephone calls, or some combination of these? Is communication effective?

10. Describe any surprises or problems (i.e., risks) the alliance has faced and how the partners have dealt with them.

11. Is your organization benefiting from any new ideas or approaches that the alliance is using? If so, please explain.

12. What are the major lessons you have learned so far in planning and implementing the alliance?

13. Do the alliance partners have any plans to evaluate the project? If so, how will your organization define success and how will you use the results?

14. Do you believe the alliance is providing value to your organization? If so, how and what exactly are the main benefits of being involved in the alliance?

15. Does your organization have plans to participate in similar alliances either in this country of other countries where you are operating? If so, please explain your plans how USAID might be involved.

Annex 3. Survey Methods and Analysis

Introduction to the Assessment

This report is part of a worldwide assessment of the Global Development Alliance (GDA) business model, part of an initiative of USAID. The assessment has been coordinated by CDIE on behalf of the Agency, specifically the GDA Secretariat and the ANE Bureau. CDIE and ANE funded the study. The purpose of this work is to inform policy and organizational decisions regarding strategic partnerships, leveraging resources, and the application of the GDA business model to USAID's development programs.

Assessment methods included review of the background documents and materials, interviews in Washington, D.C., a web-based survey of randomly selected holders of USAID.GOV e-mail addresses, and brief field visits to 10 countries to explore management decisions regarding the GDA approach.

Sampling and Survey Distribution

The sample for the Web-based survey was drawn from a list of individuals having a valid USAID e-mail address as of October 2003. This list was used for the Administrator's survey of employees and is considered the best list of all USAID employees. It includes both direct-hire and non-direct-hire employees. M/IRM checked the list for duplicates, and removed special or group e-mail addresses from the list. The names on the list were sorted using the random number feature of Microsoft Access.

On December 5, 2003, the survey was sent via e-mail to the first 225 e-mail addresses on the randomly selected list. The e-mail was sent from the address <gda_assessment@dis.cdie.org> and contained instructions that encouraged recipients to visit the USAID EvalWeb site at <http://www.dec.org/partners/evalweb/resources/gda_survey.htm>, select their answers, and submit their results. The e-mail assured that respondents' answers would be kept confidential (although an e-mail address was required to submit results, all e-mail addresses were deleted before the surveys were tallied). The e-mail also informed recipients that the deadline for completing the survey was December 19 (two weeks after the initial e-mail).

Later on December 5, the survey was sent to the next six e-mail addresses on the randomly selected list, after six e-mail addresses in the initial sample generated "out of office" replies indicating the individuals had left USAID or would be out of the office through January 2004. Reminder e-mails were sent to the revised sample of 225 individuals on December 12 and December 18, both reinforcing the December 19 deadline. However, because only 51 surveys were received by the deadline, it was extended until January 12, 2004 to allow for additional follow-up with members of the sample. Therefore, beginning on December 29 and continuing through January 12, 2004, phone calls were made to both domestic and international members of the sample that had not yet completed the survey, asking them to do so as soon as possible.

Survey Response

By the end of the day on January 12, 2004, 87 surveys were received, representing a 50 percent response rate.[5] Although there were 225 individuals in the revised sample, after January 1, 2004 51 of those individuals were removed because they were no longer included in the USAID database, indicating that they had left USAID since the last time the database was updated. Therefore, our sample actually had been reduced to 174 (87/174 = 50 percent).

In regard to non-respondents, follow-up calls revealed four main reasons that they did not complete the survey: 1) the timing of the survey (it was sent in December when many offices are closed and many staff are traveling); 2) staff did not know about GDAs, therefore, they did not think that it was appropriate for them to fill out the survey; 3) staff were away from their offices on vacation or assignment; and 4) the staff member already had been interviewed in person by a GDA team member. Others said that they never fill out surveys or that they were too busy.

5 According to Robert Baker of USAID's PPC team, GAO (General Accounting Office) guidelines indicate that interagency surveys typically yield a 40 percent response rate.

Summary of Questions 1–10

All 87 survey respondents answered Questions 1-10 of the survey.

- Question 1 asks, "Do you know what a GDA alliance is?" and provides a definition for the purpose of the survey. 56.3 percent answered "yes," while 25.3 percent answered "no," and 18.4 percent answered "not really."
- Questions 2 and 3 then discuss how appropriate the respondents think the private sector is or could be as a partner for USAID. Questions 4 and 5 address whether USAID personnel know how to initiate an alliance.
- Questions 6 and 7 ask respondents about their knowledge of procurement regulations and due diligence procedures.
- Question 8a asks if respondents have ever attended a GDA workshop. Only 9.2 percent of respondents answered "yes"; the majority rated it as "very useful."
- Question 9a asks if respondents have ever seen the GDA Toolkit. Only 20.7 percent have seen the GDA Toolkit; however, the majority of those rated it as "useful" or "very useful."
- Question 10 asked respondents if they are or ever have been involved in a GDA alliance. Only 18 individuals (21 percent) answered "yes" to this question. The other 69 individuals who answered "no" were instructed to skip to Question 34, which is the first of the demographic questions.

Survey Analysis

The Survey asked two broad questions about how appropriate the respondents think the private sector is or could be as a partner for USAID and whether respondents also felt comfortable initiating a discussion with the private sector (see table 8.[6])

This data indicated that the concept of GDA and accompanying philosophy have permeated the Agency, particularly given that the pool from which we sampled included such a broad spectrum of Agency staff and partners.

Going to this broader audience, the survey included the question: "Do you know what a GDA alliance is?" Over half the respondents answered "yes," 25 percent responded "not really" indicating that they had heard of it but were not completely sure, and a final 18 percent answered "no." Considering the broad spectrum included in the sample, these are very high rates.

Three survey questions were designed to capture respondents' knowledge and understanding about the process of building alliances. Those that answered the question expressed moderate confidence in their ability to take the steps necessary to develop an alliance; however, a third indicated that they had no or very little idea. But for such a new idea and with this broad a sample, the fact that 20.7 percent selected "I know exactly what to do," or the answer just below, and another 24.1 percent had solid confidence (selecting the box num-

6 Choices of answers were on a scale of 1–5 and have been grouped here for presentational purposes. Answers do not total to 100 because the remainder was for the N/A category (which was the default selected by the program).

ber 3) is a very good indication of how well these ideas have permeated. Those that checked boxes 1 and 2 were nearly all in missions and 67 percent are FSNs. Of the group that selected boxes 1 and 2, 41 percent characterized their work as support and 21 percent as contract work, but 41 percent answered that they do program work (which may include the budget analysis: the choices were program, contracting/auditing/ support/ administrative.)

Due diligence is a skill less often required in USAID's other work. Forty-seven percent checked the two lowest answers on the scale for their knowledge of how to conduct due diligence. There was greater confidence with the procurement process and competition, as fully a third did report scores of 4 or 5 on their level of understanding.

Prepared by:
Brianne S. Miers, Survey Manager
The George Washington University
January 13, 2004

Table 8. Staff Survey Responses: Public-Private Partnerships (in percent)

Survey Question	Survey Responses		
How appropriate a partner is the for-profit private sector for USAID?	"Not at all" and "Very little"	Midpoint	"Very appropriate" and "Totally appropriate"
	3.3	17.2	50.5
Could working with the for-profit private sector add value to USAID's programs?	"Never" or "Not often"		"Always" or "Mostly"
	3.3	14.9	60.3
Are you comfortable initiating a discussion about alliance opportunities with the private sector?	"Not comfortable" and "Not very comfortable"	Midpoint	"Very comfortable" and "Totally comfortable"
	14.9	20.7	33.3
Do you know what steps to take to develop a GDA alliance?	I have no idea what to do or little idea (1 and 2)	Midpoint (3)	I know exactly what to do or mostly (4 and 5)
	33.3	24.1	20.7
Do you know how to conduct due diligence?	I don't know how (1 and 2)	Midpoint (3)	I do know how (4 and 5)
	47.1	14.9	11.5
Do you have enough understanding about how to develop an alliance under existing procurement regulations that foster competition?	I don't understand (1and 2)	Midpoint (3)	I completely understand (4 and 5)
	14.9	20.7	33.3

Note: Answers were on a scale of 1–5 and are grouped here for presentation purposes. Answers do not total 100 because the remainder was for the N/A category (which was the program default).
Note: Portions reproduced as tables 1 and 2

Annex to Annex 3

Original E-mail Message:
You have been randomly selected as one of 225 USAID staff to receive this survey about USAID's experiences with Global Development Alliances (GDAs). Each of you personally needs to complete the survey for this representation of USAID staff views to be valid. Pretests indicate that it takes less than 20 minutes to fill it out.

The survey is posted at CDIE's EvalWeb site at the following link: *http://www.dec.org/partners/evalweb/resources/gda_survey.htm*. Simply click the buttons to respond to the survey questions. Once you have completed the survey, your responses will be submitted directly to the survey manager, and will remain confidential. Once all results have been compiled by the survey manager, they will be shared with the Assessment Team and posted to the EvalWeb site. There will be an opportunity for further comments by you or your colleagues at that time.

Please respond to the questionnaire as soon as possible, and no later than December 19. Survey results will be posted to EvalWeb shortly after this date.

Background: As described in the Agency General Notice dated October 27, 2003, CDIE is managing a multi-country assessment of the GDA business model. A planned ANE assessment of their alliance experience has been combined with the CDIE assessment. The purpose of this work is to inform policy and organizational decisions regarding strategic partnerships, leveraging resources, and the application of the GDA business model to USAID's development programs.

In addition to this questionnaire, teams are conducting site visits to missions in ten countries in November and December and further interviews are being conducted in Washington. Team members include Don Pressley, Dan O'Brien, Wendy Stickel, Woody Navin, Jeff Swedberg and Cynthia Clapp-Wincek. This work will be summarized in a report on findings and conclusions followed by a separate report on GDA Mid-term Lessons & Recommendations for Next Steps.

If you have questions about the survey, please contact Brianne Miers, Survey Manager, at *brimiers@gwu.edu*.

If you would like additional information on the GDA Midterm Assessment, e-mail team leader, Cynthia Clapp-Wincek *ccwincek@aol.com*.

If you would like additional information on Global Development Alliances, visit the GDA website at *www.usaid.gov/our_work/global_partnerships/gda/* or contact Lorie Dobbins at *ldobbins@usaid.gov*.

Annex 4. Alliance Data

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Africa				
Zambia	Smallholder Export Vegetable Alliance	DAI	Contract	RIP
		Zambian Agribusiness TA Center (ZATAC, Ltd.)	NGL	IP
		Agriflora Smallholder	PSL	RP
		ZNFU/Agribusiness Forum		
		Japan International Co-operation Agency (JICA)	BD	RP
		Government of Zambia	Gov	
		USAID		
	Milk Collection Centers Alliance	Land O'Lakes	PSM	IP
		ZATAC, Ltd.	NGL	IP
		Parmalat Zambia	PSA	RP
		Finta Dairy Co.	PSL	RP
		Eastern Dairies	PSL	RP
		Golden Valley Agricultural Research Institute	GP	RP
		Local Dairy Farmers		BP
		CARE (dropped out)	NGM	
		European Union (dropped out)		
		JICA	Donor	IP
		IESC	NGM	IP
		USAID		
	Copperbelt Economic Diversification	DAI	Contract	RIP
		ZATAC, Ltd.	NGL	IP
		Coffee Board of Zambia	GP	RP
		Zambia Coffee Growers Assn	NGL	RP

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Africa				
		Cheetah Zambia	PSL	RP
		Stravendale Farm	PSL	RP
		Konkola Copper Mines	PSL	RP
		Amiran Ltd.	PSL	RP
		USAID		
Other Zambia	ICT Skills Building	Cisco Systems	PSM	RIP
		University of Zambia	GP	BP
		UNDP	Donor	RP
		JICA	Donor	RP
		USAID		
Ghana	Food Industry Alliance	Royal Ahold	PSM	RIP
		AMEX	PSM	IP
		Technoserve	NGM	IP
		MSU	U	IP
		CARE	NGM	IP
		ASNAAP	Alliance	
		USAID		
	SPEG/Atomic Energy Commission	SeaFreight Pineapple Exporters	NGL	RIP
		Ghana Atomic Energy Comm.	Gov	RIP
		AMEX		IP
		USAID		
	Sustainable Tree Crop (Cocoa)	World Cocoa Foundation and industry members	NGM	RP
		International Institute of Tropical Agriculture (IITA)	NGM	IP
		USAID		
Asia and Near East				
Philippines	Alliance for Mindanao Off-Grid Rural Electrification (AMORE)	Mirant Philippines	PSA	RP
		Winrock	NGM	IP
		USAID		

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Asia and Near East				
Philippines	Cleaner Fuels to Reduce Vehicle Emissions	Flying V Oil Co.	PSL	RP
		RRCG Bus Co.	PSL	RP
		Senbel Chem	PSL	RP
		Shell Philippines	PSA	RP
		Chevron Texaco	PSM	RP
		USAID		
	Monsanto Corn Alliance	Monsanto Philippines	PSA	RIP
		USAID		
Indonesia	Papua Bird's Head Alliance (Biodiversity)	British Petroleum	PSM	IP
		Cocoa Alliance ACDI/VOCA, ACRI	NGM	RP
		Conservation International	NGO	RP
		IKEA	PSM	RP
		International City-County Management Association	NGO	RP
		Research Triangle Institute	NGM	RP
		The Nature Conservancy	NGM	RP
		UK Department for International Development (DFID)	BD	
		World Wildlife Fund	NGM	RP
		Natural Resource Management	NGO	IP
		National Democratic Institute	NGM	IP
		Civil Society Strengthening and Planning	NGM	IP
		Building Institutions for Good Governance	NGO	IP
		Performance-Oriented Regional Management	NGO	IP
		Coastal Resources Management Project	NGL	IP
		USAID		

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Asia and Near East				
Indonesia	Cocoa Alliance	Masterfoods	PSM	RP
		World Cocoa Foundation	NGM	RP
		Archer Daniels Midland	PSM	RP
		Cadbury's	PSM	RP
		Dutch Government	Gov	RP
		ACDI/VOCA	NGM	RP
		Philippines Dept. of Agriculture	Donor	RP
		Cocoa Foundation of Philippines	NGR	RP
		USAID		
	Timber Alliance or Sustainable Forest Management	Home Depot	PSM	RP
		World Resources Institute	NGM	RP
		Tropical Forest Trust	NGO	RP
		Newbridge Capital	PS	RP
		Caterpillar International	PSM	RP
		McKinsey and Company	PSM	RP
		Indonesian Wood Panel Association	Trade Association	RP
		ProForest	NGO	RP
		Goldman Sachs	PSM	RP
		Global Forest and Trade Network	NGO	RP
		Edelman Worldwide	PS	RP
		ABN AMRO and other banks	PSM	RP
		British Petroleum	PSM	RP
		Association of Indonesia Forest Concession Holders	Trade Association	
		The Forests Dialogue	U	
		IKEA	PSM	RP
		ESRI and ERDAS	PS	

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Asia and Near East				
Indonesia	Timber Alliance or Sustainable Forest Management	Indonesia Forest Product Companies: Sumalindo, Intracawood	PS	RP
		World Wildlife Fund	NGM	IP
		The Nature Conservancy	NGM	IP
		USAID		
India	Green Business Center (GBC)	Confederation of Indian Industry (CII)	NGL	IP
		Government of Andra Pradesh	LG	RP
		House of Godrej	PSL	RP
		USAID		
	Financing Solar Electrification (Solar Financing)	Syndicate Bank	PSL	RP
		PV Trust	PSL	RP
		Prathama Bank and other regional banks	PSL	
		ICICI	PSL	RP
		CTD	NGL	
		Winrock India	NGM	IP
		USAID		
	India Livable Communities Initiative (Regional)	ITDP	NGL	RIP
		Bus Companies	PSL	RP
		Government of Delhi	LG	RP
		USAID		
Sri Lanka	Air Pollution Reduction in Land Transport	World Bank	Donor	RP
		GTZ	Donor	RP
		David Peiris Motors	PSL	RP
		Sri Lanka Bus Owners Association	PSL	RP
		USAID		
	Ecotourism	Aitken Spense Hotels	PSL	RP
		Jetwing Hotels	PSL	RP
		Serendib Leisure	PSL	RP
		John Keelis Hotels	PSL	RP

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Asia and Near East				
Sri Lanka	Ecotourism	Tourism Association	NGL	RP
		Maturata Group	PSL	RP
		U. of Peradeniya	U	RP
		U. of Colombo	U	RP
		U. of Moratuwa	U	RP
		Field Ornithology Group	NGL	RP
		Ecotourism Society of Sri Lanka	NGL	RP
		USAID		
Latin America and the Caribbean				
Peru	Huancavelica Economic Support Center	Buenaventura Mine	PSL	RP
		Economic Service Center (consortium)	U	IP
		Huancavelica Government	LG	BP
		Local partners	LPS	BP
		Chemonics	Cont M	IP
		USAID		
	Lesser Known Species/ Certified Forest Products Peru or GDA for Sustainable Global Products	World Wildlife Fund	NGM	IP
		Exportimo and other marketers	PS	IP
		PATS (Exportimo Foundation)	NGL	RIP
		USAID/Washington		
		USAID/Peru		
	Cordillera Azul National Park	Field Museum	NGM	IP
		MacArthur Foundation	NGM	RP
		Moore Foundation	NGM	RP
		USAID		
	DCA Tarapoto Rice (Alliance-like)	Agroforestal SA	PSL	RIP
		Chemonics	Cont M	IP
		USAID		

Table 9. GDA Alliances, Partner Types, and Partner Roles				
Country	**Alliance**	**Partners**	**Partner Type**	**Partner Role**
Latin America and the Caribbean				
Peru	DCA Huylas Rosas (Alliance-like)	Songroses, SA	PSL	RIP
		Chemonics	Cont M	IP
		USAID		
Mexico	WOCCU-Caja Popular Leveraging Remittances for Economic Growth	World Council of Credit Unions (WOCCU)	NGM	IP
		Caja Popular Mexicano	NGL	RIP
		Texas Credit Unions	NGO	RP
		California Credit Unions	NGO	RP
		Vigo	PSM	RP
		USAID		
	Northern Border Trauma Center	University Medical Center Foundation (Tucson)	US NGO	IP
		Mexican Government	GOV	RP
		Nogales Hospital	NGL	IP
		Nogales Business Association and others	PSL	RP
		USAID		
	Certified Sustainable Development Alliance (Regional)	Rainforest Alliance	NGM	IP
		Mexican Forest Product Producers		BP
		Ikea and Others	PSM	RP
		Home Depot	PSM	RP
		USAID/Mexico		
		USAID/LAC		
		USAID/GDA		
	Central American Coffee Initiative	Conservation International	NGM	
		Coffee Producers	PSL	
		Starbucks	PSM	
		USAID/GDA		
		USAID/Mexico		

Table 9. GDA Alliances, Partner Types, and Partner Roles

Key for partner type:		**Key to partner role**	
PSL	For profit—local/country	RP	Resource Partner
PSM	For profit—multinational corporation (MNC)	RIP	Resource and implementing partner
PSA	For profit—MNC affiliate	IP	Implementing partner
PSR	For profit—regional	BP	Beneficiary partner
NGL	NGO— local/country		
NGM	NGO—multinational		
NGR	NGO—regional		
Gov	Host country federal government		
GP	Government parastatal		
LG	Local government		
BD	Bilateral donor		
PIO	UN, World Bank, etc.		
U	University		
Cont M	USAID contractor		

Table 10. GDA Alliances and Partner Contributions

Assessment Country	GDA Alliances	Range of Partner Contribution
Africa		
Zambia	Smallholder Export Vegetable Alliance	$1–3 million
	Milk Collection Centers Alliance	$1–3 million
	Copperbelt Economic Diversification	$1–3 million
	ICT Skills Building	Less than $1 million*
Ghana	Food Industry Alliance	$1–3 million
	SPEG/Atomic Energy Commission	Less than $1 million
	Sustainable Tree Crop (Regional Cocoa)	Greater than $3 million**
Asia and the Near East		
Philippines	Alliance for Mindanao Off-Grid Rural Electrification (AMORE)	Greater than$3 million
	Cleaner Fuels to Reduce Vehicle Emissions	Greater than $3 million
	Monsanto Corn Alliance	Less than $1 million
Indonesia	Papua Bird's Head Alliance (Biodiversity)	Greater than $3 million
	Cocoa Alliance	$1–3 million
	Timber Alliance or Sustainable Forest Management	Greater than $3 million

Table 10. GDA Alliances and Partner Contributions		
Assessment Country	**GDA Alliances**	**Range of Partner Contribution**
Asia and the Near East		
India	Green Business Center (GBC)	Greater than $3 million
	Financing Solar Electrification (Solar Financing)	$1–3 million
	India Livable Communities Initiative (Regional)	Greater than $3 million
Sri Lanka	Air Pollution Reduction in Land Transport	$1–3 million
	Ecotourism	$1–3 million
Latin America		
Peru	Huancavelica Economic Support Center	$1–3 million
	Lesser Known Species—Certified Forest Products Peru (GDA for Sustainable Global Products)	Less than $1 million
Note: Also reproduced as table 3 to accompany the analysis.		

Table 11. Analysis Of Partner Types and Partner Roles													
	For-Profit Private Sector			NGOs		Host Country Governments			Univer-sities	Donors		U.S. Government Contractors	Totals
	Local	Multi-national-	Affiliates	Local	Multi-national	Local	Federal	Parastatal		Bilateral	Other		
Resource Partner	27	12	3	6	15	2		2	3	6	3		79
Resource and Imple-menting Partner	2	2	1	3			1					2	11
Implementing Partner	1	2		5	14				2			2	26
Beneficiary Partner	3					1		1					5
Subtotals	33	16	4	14	29	3	1	3	5	6	3	4	121
TOTALS	**53**			**43**		**7**			**5**	**9**		**4**	**121**

Note: Also reproduced as table 3 to accompany the analysis.
Note: Also reproduced as table 4 to accompany the analysis.

Annex 5. People Interviewed in Washington

Office of the Administrator
Andrew Natsios, Administrator

Fred Schieck, Deputy Administrator

GDA Secretariat
Holly Wise, Director

Curt Reintsma, Deputy

Lorie Dobbins, International Cooperation Specialist

Brian Kurtz

Bureau For Democracy, Conflict and Humanitarian Assistance
Garrett Grigsby, Deputy Assistant Administrator

Len Rogers, Deputy Assistant Administrator

Tom Carter, PVC, Cooperatives Coordinator

Judy Gilmore, Director, PVC

Bureau for Economic Growth, Agriculture and Trade
Emmy Simmons, Assistant Administrator

Ronald Carlson, Urban Development Officer

George Gardner, Agricultural Economist

Martin Hewitt, Education Program Specialist

Jonathan Metzger, Internet for Development Advisor

David Painter, Senior Housing and Urban Development Officer

Alfred Nakatsuma, Supervisory Private Sector Officer

Bureau for Global Health
Linda Morse, Deputy Assistant Administrator

Jill Mathis

Susan McKinney, HIDN/MCH

Management Bureau
Tim Beans, Director, Office of Procurement

Jeff Bell, Deputy Director, Office of Procurement

Rose Marie Depp, Director of Personnel, Human Resources

Mark Walther, Supervisory Contract Specialist, Office of Procurement

Office of the General Counsel

Paul Freedman

Nathalie Freeman

Drew Luten

Susan Pascacello

Bureau for Policy and Program Coordination

Joan Atherton, Social Science Analyst

Tish Butler, Supervisory Program Officer

Africa Bureau

Connie Newman, Assistant Administrator

Keith Brown, Deputy Assistant Administrator

Steve Giddings, Coordinator for GDA

Jay Smith, Office Director, DP

Asia and the Near East Bureau

Gordon West, Deputy Assistant Administrator

Roberta Cavitt, Indonesia Desk Officer

Rebecca Cohn, Office Director for Technical Support

Rebecca Maestri, GDA Manager

Del McCluskey, ANE/SPO

Tim Resch, EAPEI Manager

Mary Melnyck, Academy for Educational Development

Jonathon Metzger, Internet for Development Advisor

Bureau for Europe and Eurasia

Dick Loudis, Chief, Program Planning and Project Development

Bureau for Latin America and the Caribbean

Cecily Mango, Director, Regional Sustainable Development

Laura Cornwall, Biodiversity Advisor and Manager, Parks in Peril

Christy Johnson, Environment and Natural Resources Advisor

Janice Weber, former Brazil Mission Director

HACFO

Charlie Flickner

Partners

Larry Cooley, MSI

Bill Guyton, President, World Cocoa Foundation

Robert Peck, Program Coordinator, World Cocoa Foundation

Deborah McGlauflin, GDA Technical Advisor, Insights in Action

Bill Reese, ACFVA, International Youth Foundation

U.S. Agency for International Development

The U.S. Agency for International Development (USAID) is an independent federal agency that receives overall foreign policy guidance from the Secretary of State. For more than 40 years, USAID has been the principal U.S. agency to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms.

USAID supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting

- economic growth, agriculture, and trade
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- democracy, conflict prevention, and humanitarian assistance

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- Sub-Saharan Africa
- Asia and the Near East
- Latin America and the Caribbean
- Europe and Eurasia

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