



USAID
FROM THE AMERICAN PEOPLE

FACT SHEET

Office of Development Partners/Private Sector Alliances

Alliances: An Innovative Approach to Development

At the U.S. Agency for International Development (USAID), some of the best development outcomes occur when the public and private sectors join forces to alleviate poverty and support economic and social development. By working in partnership with businesses, non-governmental organizations, foundations, associations and more, USAID accesses valuable resources and innovative approaches that can more than double the impact of development initiatives in the communities we serve.

Supporting High-Impact Alliances

In 2001, the Global Development Alliance (GDA) secretariat was created to help catalyze the development of public-private alliances across the entire Agency. Over time, the office has been institutionalized as the Private Sector Alliances (PSA) Division within the Office of Development Partners (ODP). Today, ODP/PSA is leading the field by developing highly innovative alliance models, leveraging USAID resources effectively and efficiently to achieve greater development impact and building Agency capacity to develop and replicate strategic and effective alliances. ODP/PSA staff provides technical guidance and support to:

- Build alliances focused on USAID priorities – food security, climate change, global health, global engagement along with economic growth, education, technology, and water;
- Missions, Technical Offices and Regional Bureaus through alliance development consultations, assessments, alliance strategy development, training and alliance building tools;
- Regional Alliance Builders and Alliance Officers in the field along with an Alliance Facilitation team to scale up successful partnership models; and
- Pilot new alliance models focused on the Diaspora, impact investing, clean technologies, inclusive business, corporate social responsibility and provide greater coordination with other donors.

The Global Development Alliance (GDA) Model

The most sustainable and successful partnerships under the GDA model originate at the intersection of businesses' core interests (rather than a purely philanthropic focus) and one or more of USAID's development objectives. Alliances are co-designed, co-funded (mutual investments of cash, professional expertise, and in-kind resources), and co-managed by partners so that the risks, responsibilities, and rewards of the partnership are equally shared. Additionally, innovative alliances often leverage the private sector's expertise, systems, networks, supply chains and market access, achieving development solutions that no single actor could hope to attain alone.

USAID's Alliance History

Since 2001, USAID has developed more than 1,000 alliances with over 3,000 unique partners, leveraging billions of dollars in combined public-private resources for development.



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Public-Private Alliance Successes

Working with multinational corporations, regional and local companies, USAID is building alliances that can have a significant impact on major development challenges.

Starbucks – Worldwide:

USAID has partnered with Starbucks in the last 10 years to build capacity in the global coffee supply chain. The partnerships improve coffee quality, certify sustainable practices and provide premium prices, which raise local incomes. Working in several countries in Africa, Latin America and Asia, the impact has been substantial. For instance, USAID/Mexico's program directly affected nearly 12,000 people in 45 communities by improving best practices in the supply chain, raising the quality of production. In Rwanda, Starbucks tripled the amount of beans it sourced from local farmers from 2006 to 2008, when it first sold Rwandan coffee as part of its high-end Black Apron Exclusives line.

Responsible Asia Forestry and Trade Program – Regional:

Tropical forests in Asia are among the most biologically diverse in the world, but are being lost or degraded at an alarming rate. USAID formed a partnership with The Nature Conservancy, a non-profit environmental organization, and a catalytic group of NGOs, governments and private sector companies (DLH Nordisk, Home Depot, Lowe's, and Xerox) to protect Asia's unique forest biodiversity. The partnership, which started in 2006 and runs through 2011, is working with forest producers in Indonesia, Malaysia, Vietnam, Cambodia, Laos, and Papua New Guinea to increase regional timber trade from legal sources, improve sustainability of forest management, strengthen regional cooperation, and contribute towards climate change response. USAID's \$9.8 million program is leveraged by \$15.3 million from partners.

PT Tashia Consumer Products – Indonesia:

USAID worked with a local private sector partner, PT Tashia Consumer Products, to develop, distribute, and promote Air RahMat, an affordable, easy-to-use water treatment solution for household use. From its launch in 2005 through 2007, Air RahMat provided more than 717 million liters of safe drinking water to Indonesians. For an affordable price of \$0.56 per month, a family can access a sufficient supply of safe drinking water. The creation of a tangible product is significant, because Air RahMat can now be mass produced worldwide. The local private sector's involvement in production and distribution, and the broad affordability of the product, means that the project is likely to be sustainable, ensuring access to safe water long after the partnership ends.

For more information on Private Sector Alliances at USAID, visit <http://www.usaid.gov/gda/>.