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**REAL CHALLENGES.  
REAL SOLUTIONS.**



**GLOBAL DEVELOPMENT ALLIANCES**  
Washington DC Training – Day 1



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# Agenda

**Introduction to GDA**

**Identifying Opportunities**

**Designing Alliances**

**Alliance Sampler Panel**

**Alliance Building Exercises**





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# GLOBAL DEVELOPMENT ALLIANCE



## WORKSHOP

### Introduction to GDA



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# USG Support for Partnerships

“...We're renewing development as a key element of American foreign policy -- not by lecturing and imposing our ideas, but by listening and working together; by seeking more exchanges between students and experts; new collaborations among scientists to promote technological development; partnerships between businesses, entrepreneurs to advance prosperity and opportunity for people everywhere.”

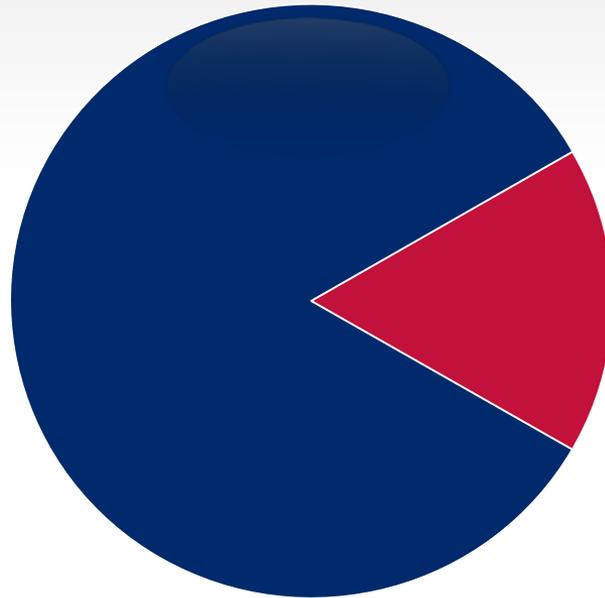
- President Barack Obama  
Clinton Global Initiative, September 22, 2009



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# US Resource Flows to the Developing World in the 2005-2015 Period

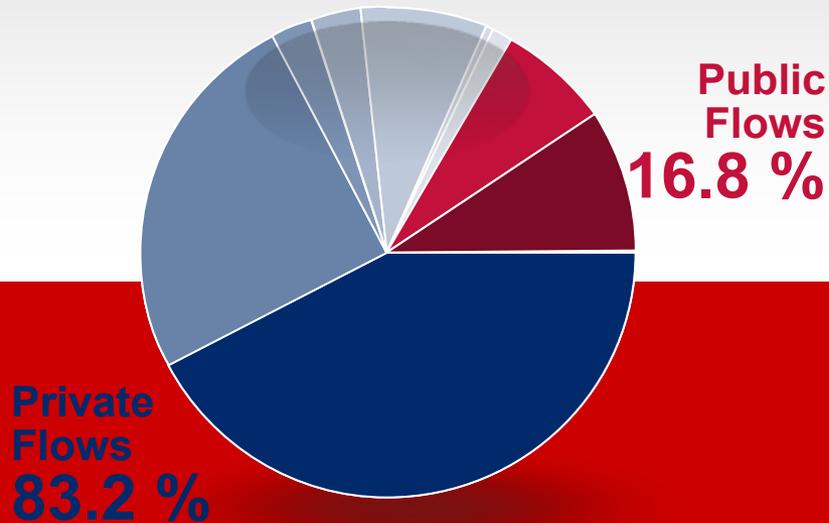
Private Flows  
**89.2%**



Public Flows  
**16.8%**

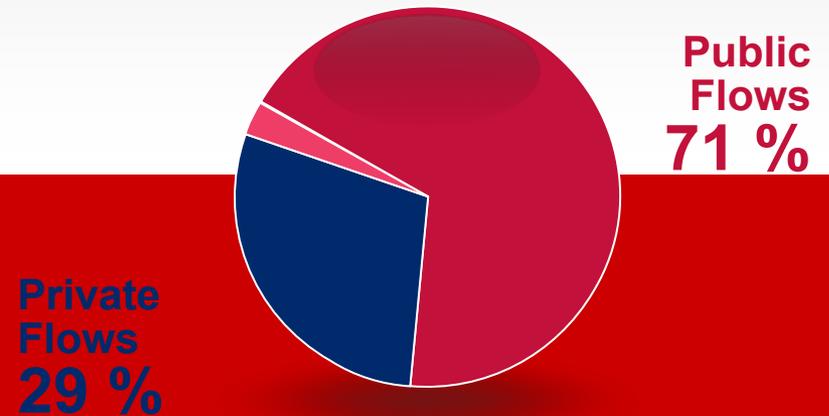
# US Foreign Resource Flows

**US Total Resource Flows to the Developing World in 2005: \$164 Billion**



- Private Capital Flows (FDI and Net Cap Markets 42,1%)
- Remittances 25,0 %
- Universities and Colleges 2,8 %
- Religious Organizations 3,3 %
- NGOs 8,2 %
- Foundations 1,3 %
- Corporations 0,5 %
- U. S. Government Official Development Assistance 9,4 %
- Iraq and Afghanistan 7,4 %

**US Resource Flows to the Developing World in the 1960s: \$5.1 Billion**



- U.S. Official Development Assistance 68 %
- Private Flows 29 %
- Other official Flows 3%



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# Alliances Bring Value





- Global Development Alliances are a **market-based approach** to partnerships between the public and private sectors to address **jointly defined** business and development objectives.
- Alliances are **co-designed, co-funded, and co-managed** by partners so that the risks, responsibilities, and rewards of partnership are equally shared.



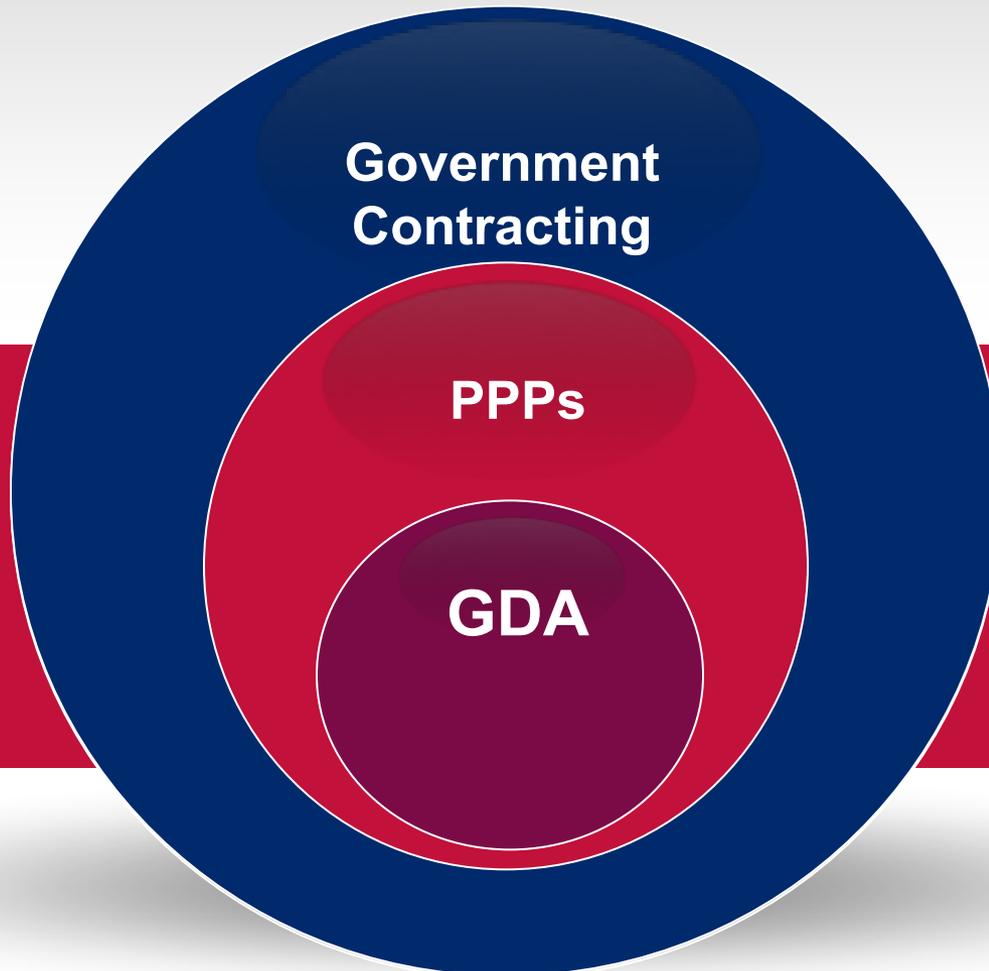
# Continuum of PPPs to GDAs

**A GDA is a strategic type of public-private partnership for the purpose of achieving significant development impact**



***Note: All GDAs are Public-Private Partnerships – BUT not all Public-Private Partnerships are GDAs***

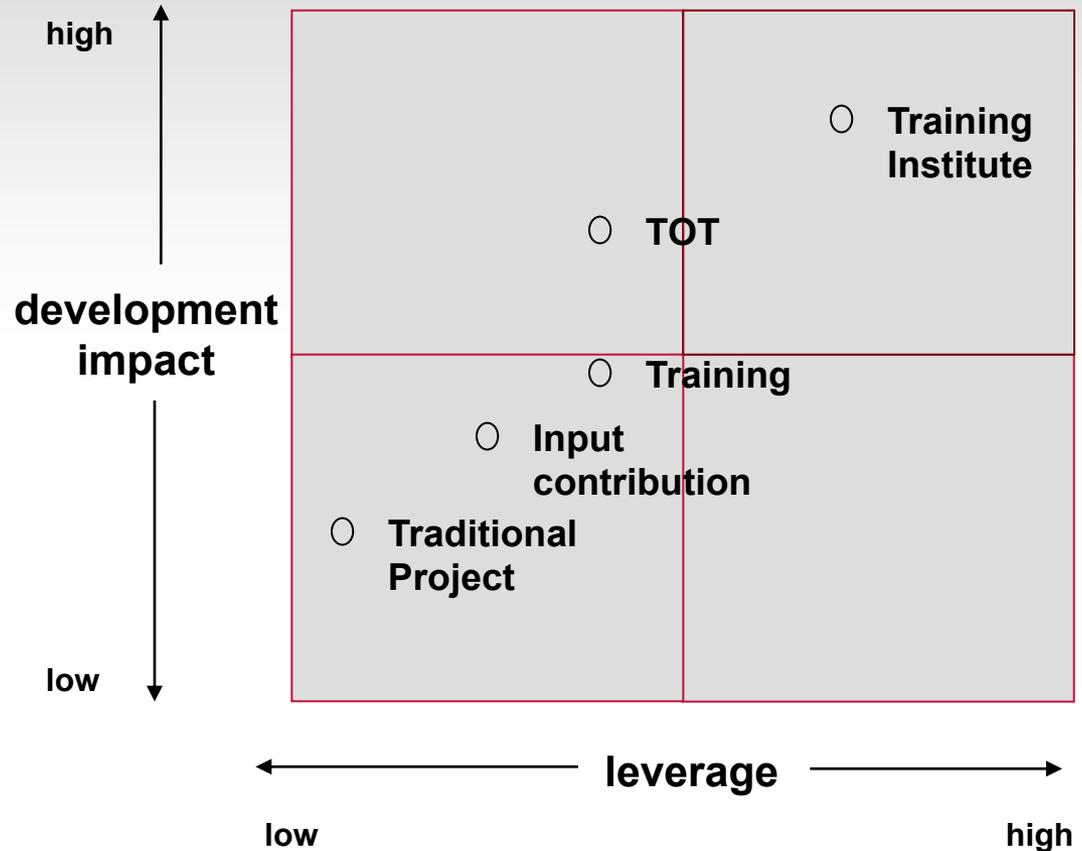
**A GDA is a strategic type of public-private partnership for the purpose of achieving significant development impact**





# Transforming Development Impact

- USAID Ag project with no contributions
- Company contributes seeds/fertilizer
- Company also trains farmers
- Company also provides Training of Trainers
- Company also builds a sustainable training institute





Jointly defined problem and solution\*



Share resources, risks, and responsibilities\*



Innovative approaches to working with new partners\*



Mutual Investment Goal of 1:1 leverage of cash, expertise, systems, networks and other resources\*



Significant and sustainable development impact



Public good





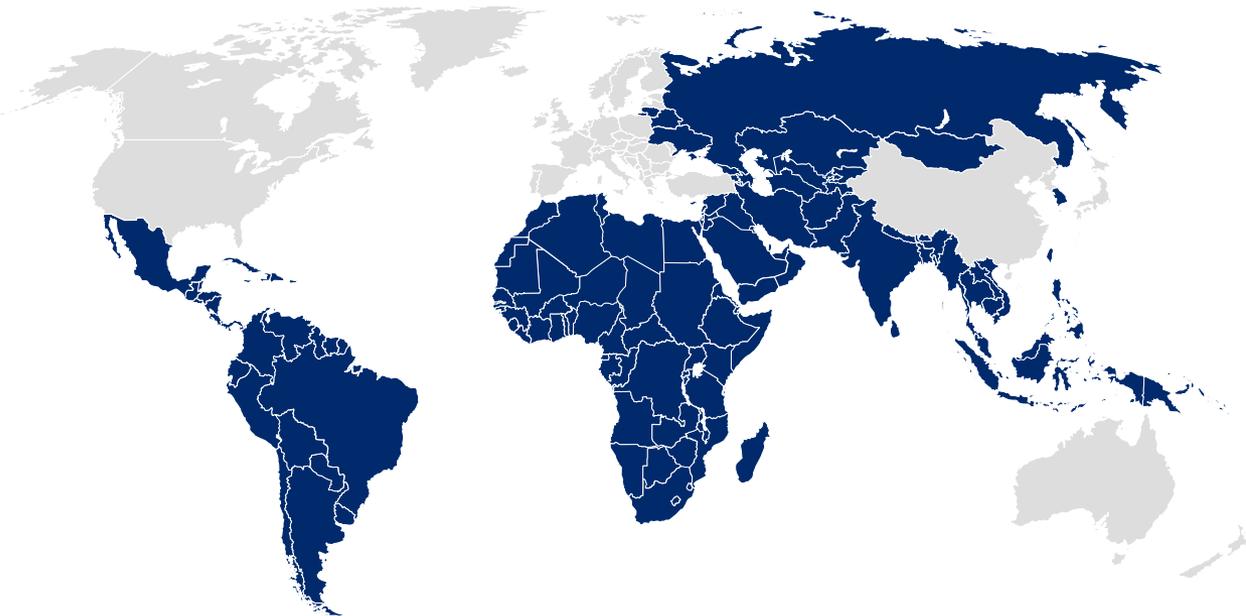
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# Alliances from 2001 - 2009

Over 900 Alliances to date

More than 1,700 distinct partners

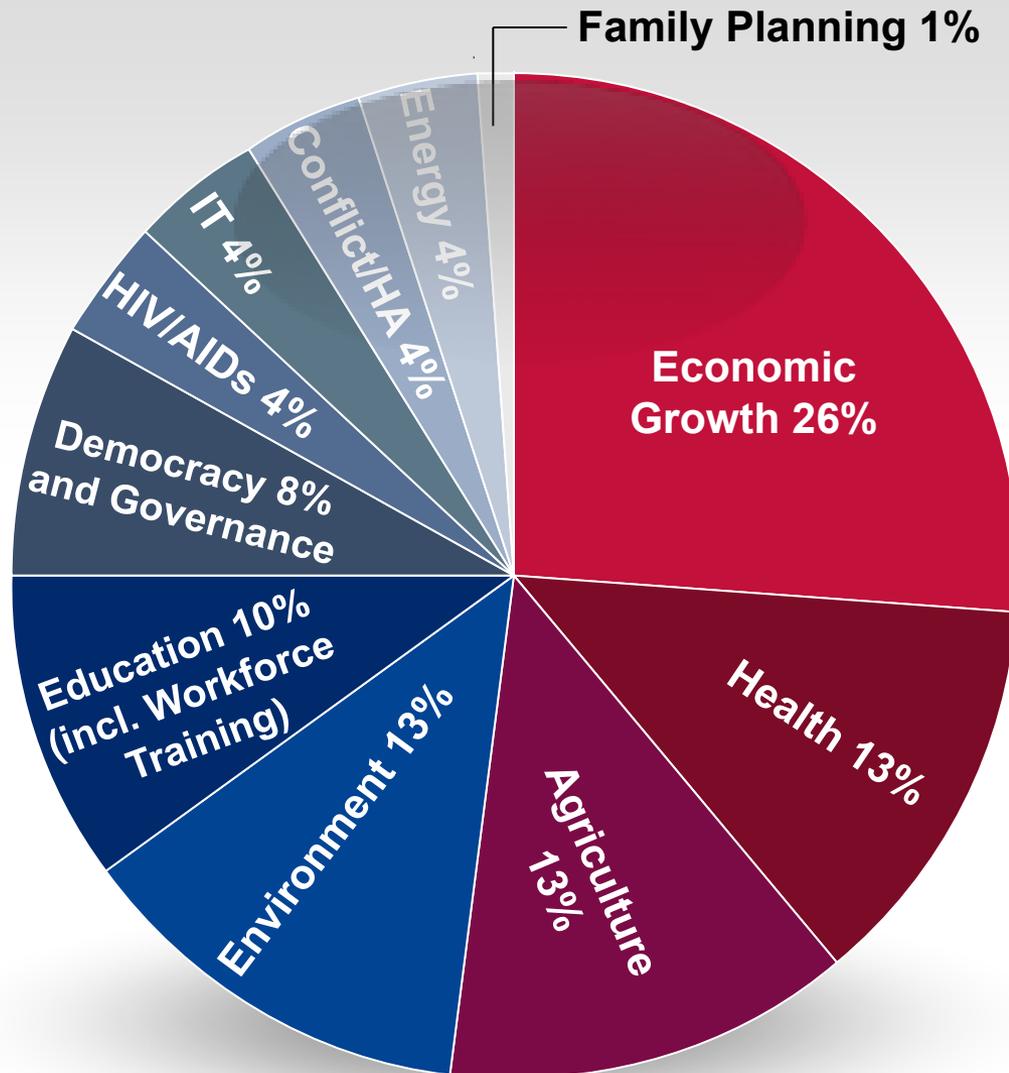
Average GDA Leverage: 2.7:1





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# Global Alliances: 1999-2009





Question: What are the complementary assets of USAID and potential partner?

## USAID

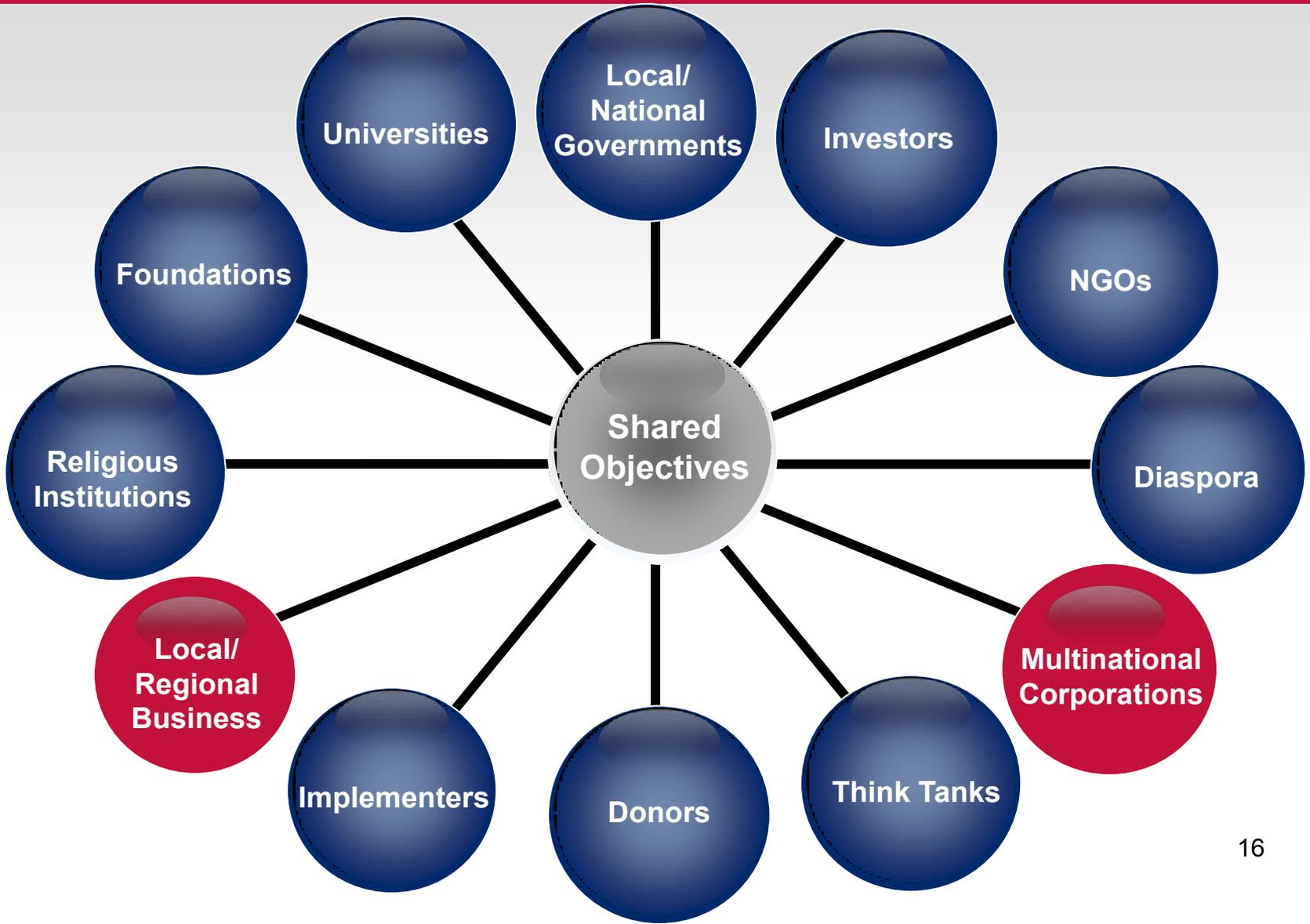
- Policy influence
- Development expertise
- Convening power
- Local and global networks
- Relationships
- Long-term country presence
- Credibility
- Funding

## Resource Partners

- Market driven approaches
- Skills, services and expertise
- Access to supply chains/ markets
- Technology and intellectual support
- Relationships
- Long-term country commitment
- Communications and marketing
- Funding



# Who USAID Partners With





## Question: How have alliances evolved at USAID?

### GDA (the first 5 years)

- Largely NGO led
- Opportunistic approach
- Catalyzed by DC using APS and incentive funds
- Helped private sector meet philanthropic objectives
- Pilots
- Focus on leveraging cash



### GDA (the next generation)

- USAID convenes relationships
- Tied to mission strategy
- Catalyzed in the field using Mission funding
- Helps private sector address core business interests
- Scaling successful models
- Focus on leveraging cash, knowledge, technology, and other resources



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# Future Trends

- Global Food Security
- Climate Change, Renewable Energy
- Global Engagement and the Muslim World
- Global Standards
- Base of the Pyramid (BOP) Markets
- Diaspora and Remittances
- Stabilization in Fragile States
- Social Entrepreneurism
- Private Investment and Venture Capital





# Field support from GDA

**Assessment  
development**

**Strategic alliance  
building expertise**

**Company contacts**

**Communication  
support**

**TA & training for  
missions,  
implementers,  
companies**

**Policy guidance &  
lessons learned**

**Coaching on  
opportunity  
identification**

**Regional  
Alliance  
Builders**

**Database and Sector  
Guides**



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# The GDA Team

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# GLOBAL DEVELOPMENT ALLIANCE



## WORKSHOP

# Identifying Opportunities



# Prioritizing Possibilities

- **Development Impact**

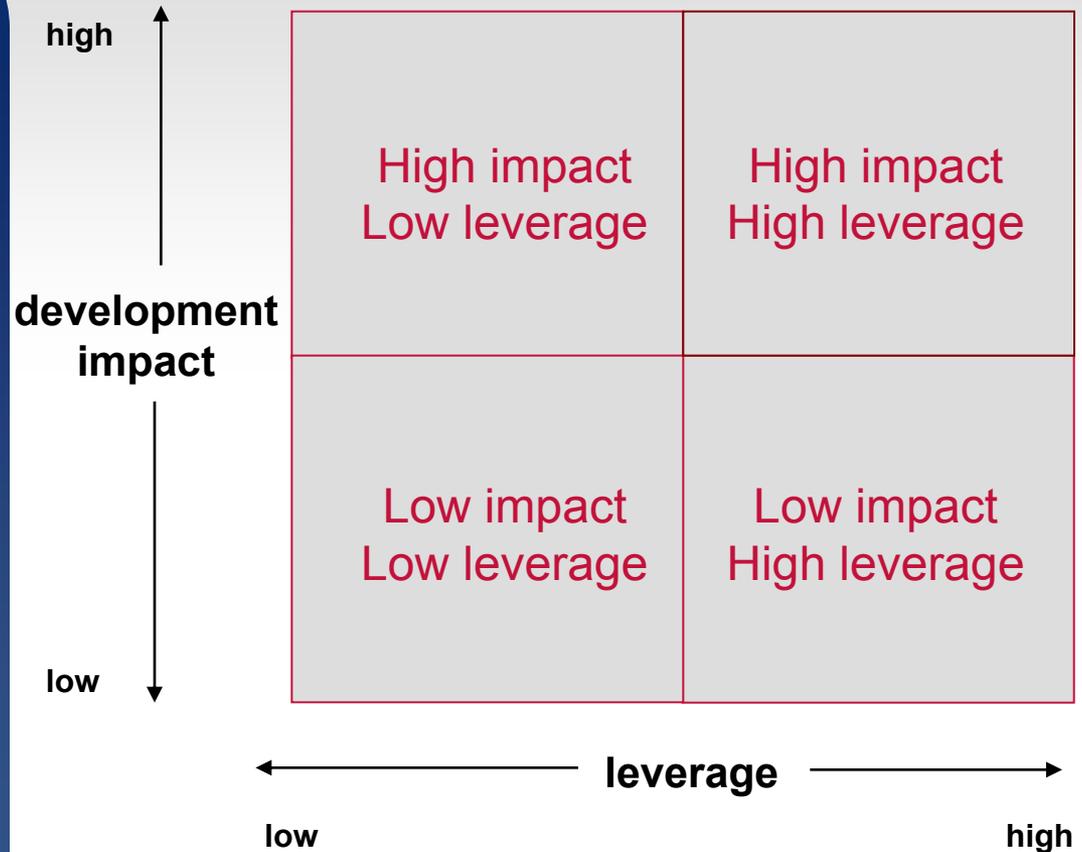
Examples:

- Increased economic livelihood
- Improved local governance

- **Leverage Impact**

Examples:

- Funding
- Skills
- Market access
- Relationships
- Value chain
- Brand value
- Other Assets





# Strategic Alliance Building

## Alliance Building Exercise:

**Program Element:**  
Agriculture

**Indicator:**  
Increased earning  
capacity of farmer  
groups

- **What industries and companies care?**
- **Why do they care?**
- **What can they bring?**





# Strategic Alliance Building

## Alliance Building Exercise:

**Program Element:**  
Workforce  
Development

**Indicator:**  
Increase in number  
of newly trained  
youth employed  
by PSC

- **What industries and companies care?**
- **Why do they care?**
- **What can they bring?**





# Strategic Alliance Building

## Alliance Building Exercise:

**Program Element:**  
Health

**Indicator:**  
Reduced incidence  
of diarrhea

- **What industries and companies care?**
- **Why do they care?**
- **What can they bring?**





# Strategic Alliance Building

## Alliance Building Exercise:

**Program Element:**  
Education

**Indicator:**  
Improved access to  
basic education  
(higher test  
scores)

- **What industries and companies care?**
- **Why do they care?**
- **What can they bring?**





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# Strategic Alliance Building

## Alliance Building Exercise:

**Program Element:**  
Disaster Response

**Indicator:**  
Rebuild  
infrastructure

- **What industries and companies care?**
- **Why do they care?**
- **What can they bring?**





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# Why this approach is useful

- Identifies key goals for alliances
- Makes decision making criteria explicit
- Helps team decide where to focus its energy
- Provides a way to analyze different opportunities
- Incorporates human perceptions and judgments into the decision making process



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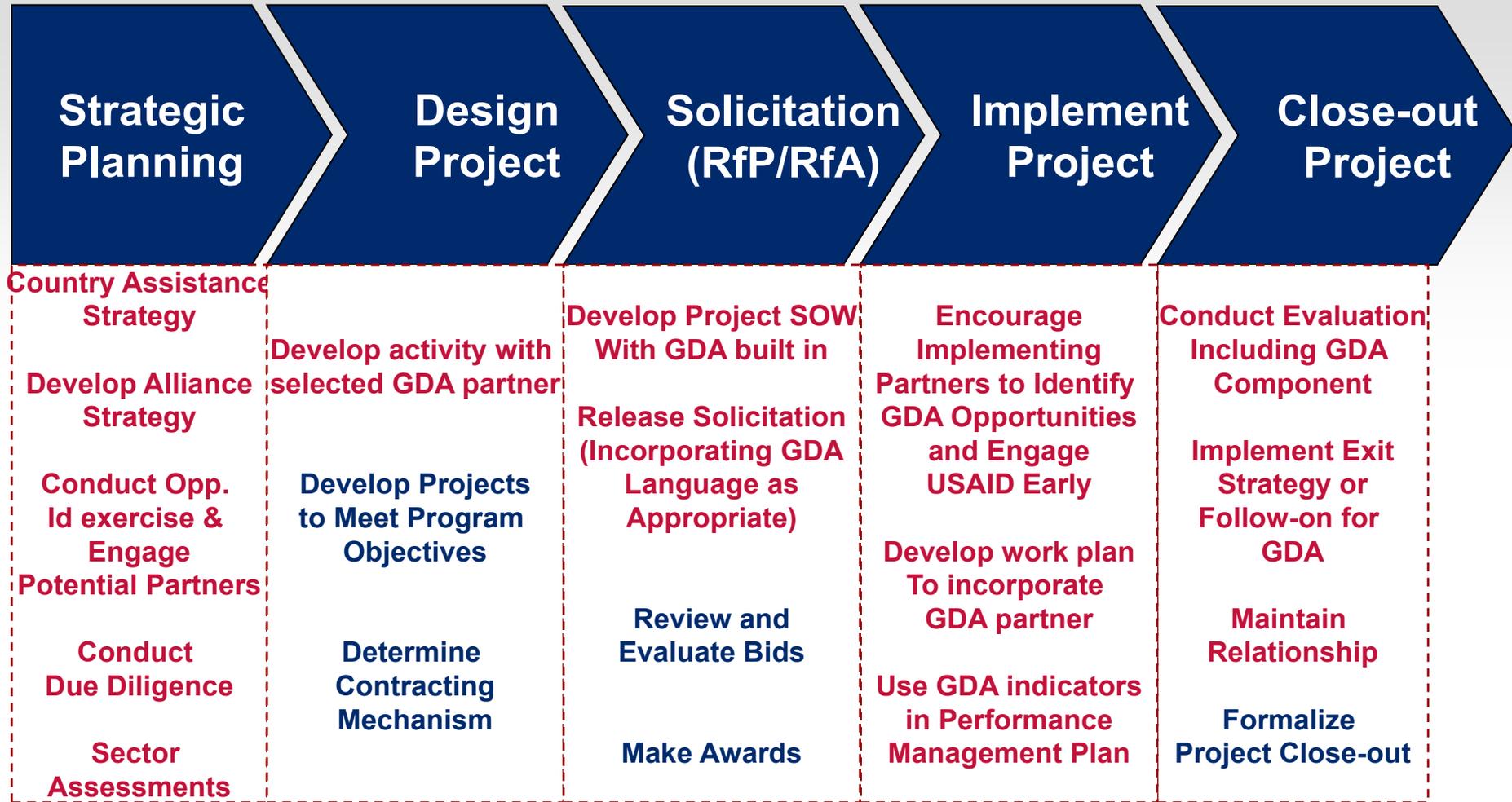
## WORKSHOP

# Designing Alliance



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# Mainstreaming Alliances



## USAID Program Lifecycle



# Challenges of Alliance Building

## Human Resources

- Alliances are staff intensive
- Alliance building requires special skills
- Turnover at leadership level

## Financial Resources

- Lack budget for alliances
- Timing of money
- Overemphasis on cash
- Pressure of economic crisis

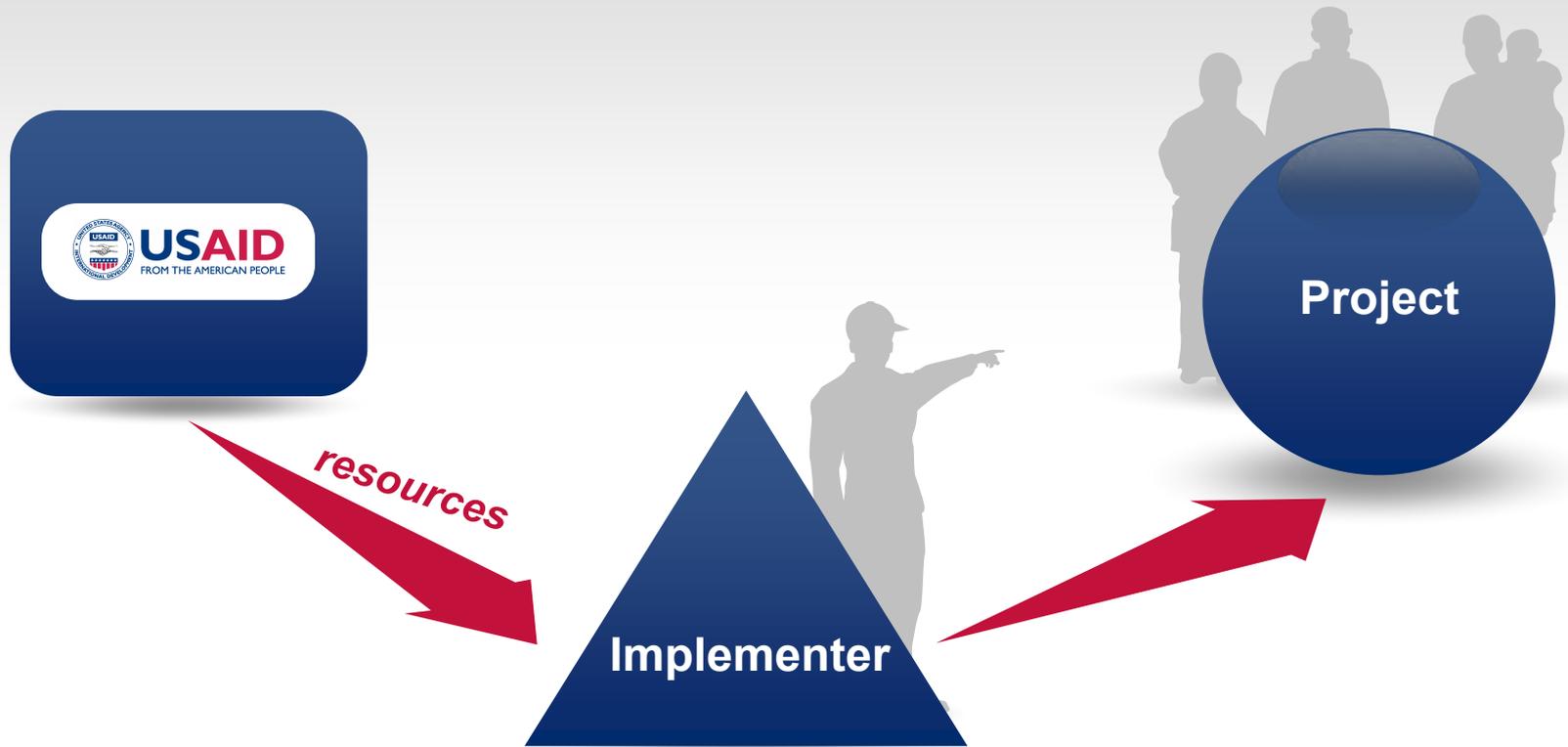
## Partner Differences

- Different USAID & partner expectations
- Procurement & contracting headaches



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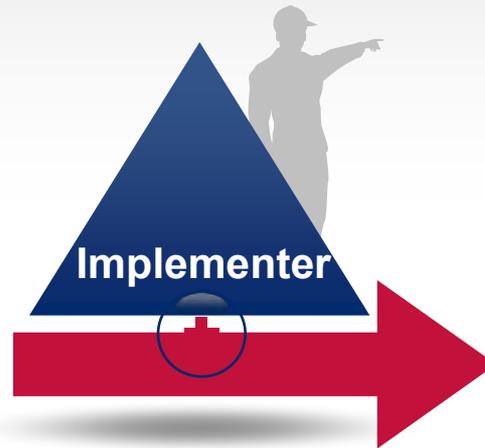
# Traditional USAID Approach





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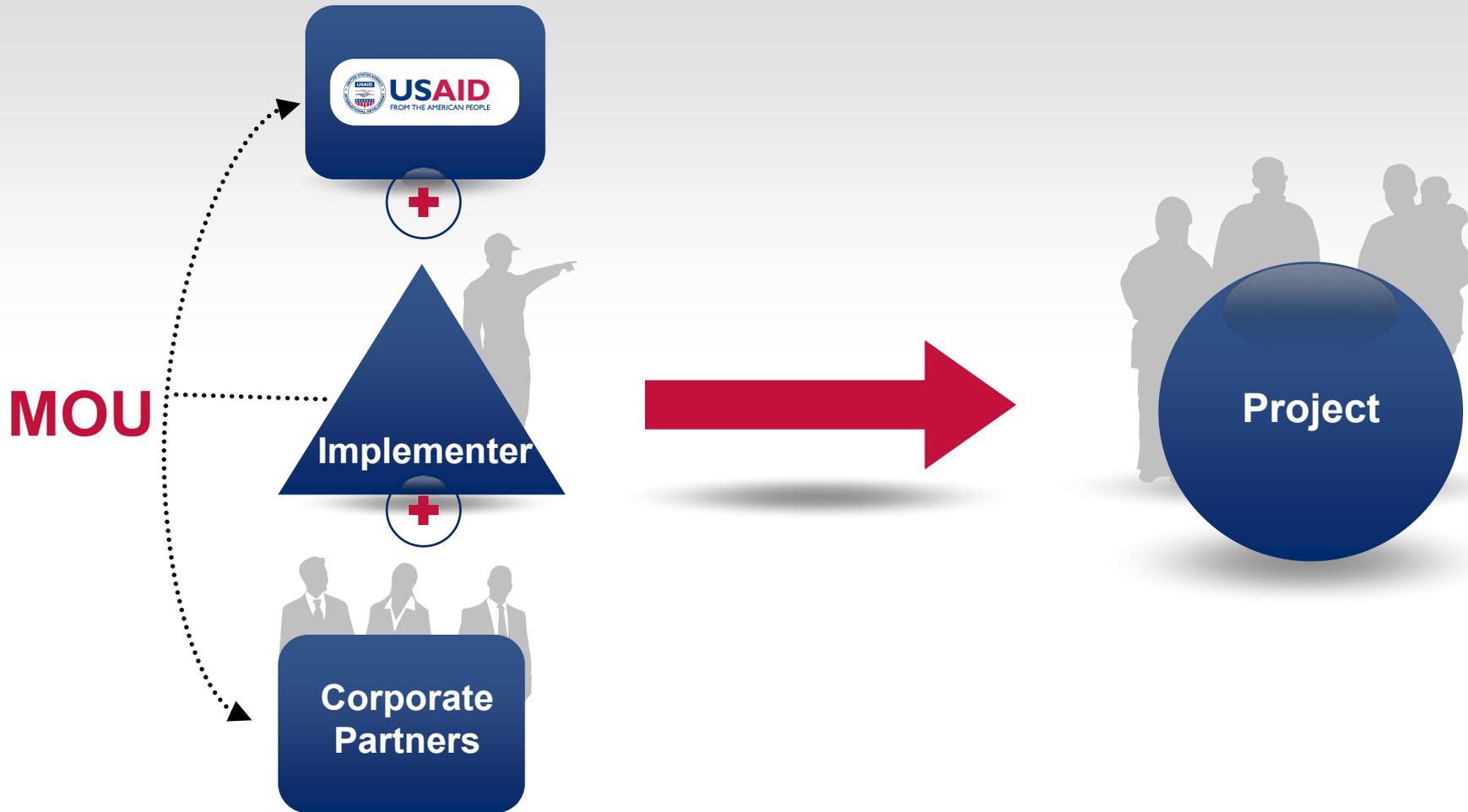
# Alliance Approach





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# Alliance Approach





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# Alliance Funding Models

1

Resource Partner to USAID



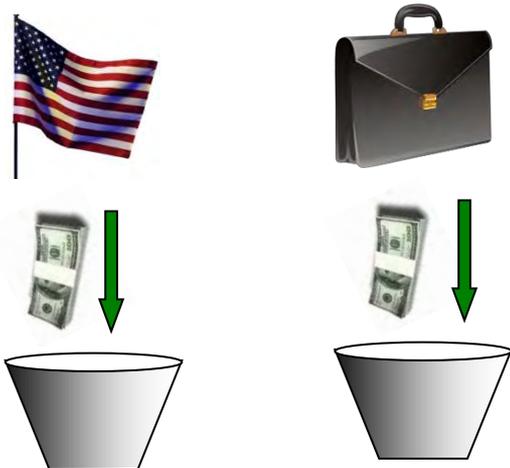
2

USAID to Resource Partner



3a

Parallel



3b

Parallel





- The Development Credit Authority is USAID's ability to increase access to credit by guaranteeing loans made by partner financial institutions to underserved borrowers.
- Access to credit has the potential to scale GDAs!

## **Every DCA Guarantee involves:**

- 1) A private lender
- 2) A non-sovereign or private borrower
- 3) Creditworthy activities



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# GDA Annual Program Statement

- ➔ Issued annually in November
- ➔ Fully competed solicitation
- ➔ Enables USAID to engage in dialogue before formal application process
- ➔ Details entire process for launching partnerships
- ➔ Criteria for eligibility and leverage
- ➔ Clarifies application and Award process
- ➔ Funding comes from Missions
- ➔ Missions can issue Addendum





# Contracting Mechanisms

## New Money

- **Develop projects with private sector**
- **Request partnership strategies in RFA/RFP solicitations**
- **Use GDA or Mission Annual Program Statement (APS)**

## Programmed Money

- **Expand on existing alliances**
- **Embed in ongoing projects**



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# Why Embed Alliances?

- ➔ Ensures linkage to Mission's strategy
- ➔ Mainstreams alliance thinking into Mission's core work
- ➔ Avoids having to find 'unprogrammed resources'
- ➔ Does not require a separate management unit
- ➔ Faster speed to implementation
- ➔ Can scale project successes and expand to new places





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## WORKSHOP

### Alliance Sampler Panel



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## WORKSHOP

# Alliance Building Exercises & Report Out



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## WORKSHOP

### Training Wrap-up



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**REAL CHALLENGES.  
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**GLOBAL DEVELOPMENT ALLIANCES**  
Washington DC Training – Day 2



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# Agenda

**Alliance Building Exercise Recap**

**Moving from Concept to Implementation**

**Making Alliances Work**

**Marketing Alliances**

**Alliance Management Exercise & Report out**

**Private Sector Panel**





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# GLOBAL DEVELOPMENT ALLIANCE



## WORKSHOP

### Alliance Building Exercise Recap



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## WORKSHOP

# Moving from Concept to Implementation



# Due Diligence

What

Assess risk of working with potential *resource partner*

When

Before discussions with a potential partner become too specific

Why

To protect the name and reputation of USAID and the USG

Whom

The USAID Mission or implementer

Decision

Ultimately, decision is based on the judgment of the Mission or Operating Unit



# Due Diligence Categories

- **Corporate image**
  - Public image, pending lawsuits, negative media, transparency
- **Social Responsibility**
  - CSR policy, labor standards, health/safety, code of conduct
- **Environmental Accountability**
  - Monitoring, mitigating impact, improving performance
- **Financial Soundness**
  - Publicly traded, annual reports, audited financials, years in business
- **Policy Compatibility**
  - Excluded party list, Agency/Mission policy, foreign affairs sensitivities



# Due Diligence Research

- Innovest Database (Contact GDA)
- USAID Library
  - Dunn & Bradstreet; Lexus Nexus; SEC; CSR Wire
  - UN Global Compact
  - Other commercial services
- GDA Database (USAID Intranet)
- Commercial Affairs Office
- Local Chamber of Commerce
- References
- Media coverage
- Web search





## What if there are issues?

- Seek guidance
- Analyze the “materiality” of the issue and potential impact if USAID pursues a partnership
- Weigh risks against benefits and make a judgment
- Consider approaches for mitigating potential risk



## Elements of a strong MOU

- I. Documents Partner Details – Names, Points of Contact
- II. Details the Purpose, Goals, Objectives and Other Key Aspects of the Alliance such as Beginning and End Dates and Critical Activities
- III. Designates Partner Roles and Responsibilities – Including Value and Timing of Cash and In-kind Contributions
- IV. Establishes a Governance Structure and Addresses Provisions for Amendment of the MOU
- V. Includes the USAID Disclaimer (non-binding)
- VI. Reflects Specifics in Annexes (e.g. Branding and Marketing, Communications Protocols, Monitoring and Evaluation)



# Develop a Communications Strategy

- ✓ Early on, in collaboration with alliance partners
- ✓ Clarify branding and marking needs
- ✓ Determine vehicles for outreach
- ✓ Set out work plan with timeline for deliverables
- ✓ Divide the labor
- ✓ Incorporate strategy into MOU



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# GDA Global Relationships

- High-level relationships between USAID and key resource Partners
- Have identified common areas to help build alliances with lower transaction costs
- Can be leveraged by Missions and Washington to build country and regional alliances



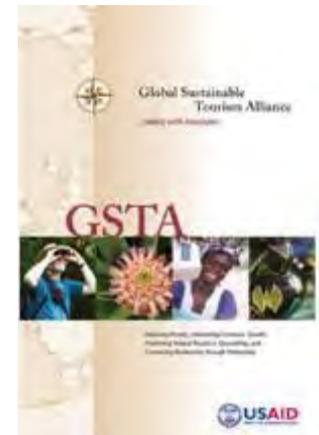
**Microsoft**



  
GENERAL MILLS

  
CISCO

THE  
**ROCKEFELLER**  
FOUNDATION





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# Leverage Exercise

***“Leverage, or not leverage,  
that is the question?”***





- Supplied by the Implementing Partner
  - Does not involve the resource partner, or their resources
  - Often comes from their own resources
- Is specified in the Grant Agreement
- Is legally binding and auditable
- Is verified by FM (with COTR/AOTR input)
- Can be cash or in-kind
- Should be high value and strategic (but sometimes is not)



- Supplied by the Resource Partner
- Specify in the MOU before it is signed
  - What, how much, when, etc.
  - Who collects and reports data on it
- Is NOT legally binding or auditable
- Cannot hold Implementer responsible for leverage “no shows”
- COTR/AOTR is responsible for ‘valuation’ decision
- Can be cash or in-kind
- Should be of significant strategic value to the project



## Inputs (leverage)

- **3 types**
  - In-kind contributions
  - Cash
  - Resources contributed to our program
- **Typically not loans**

## Outcomes (not leverage)

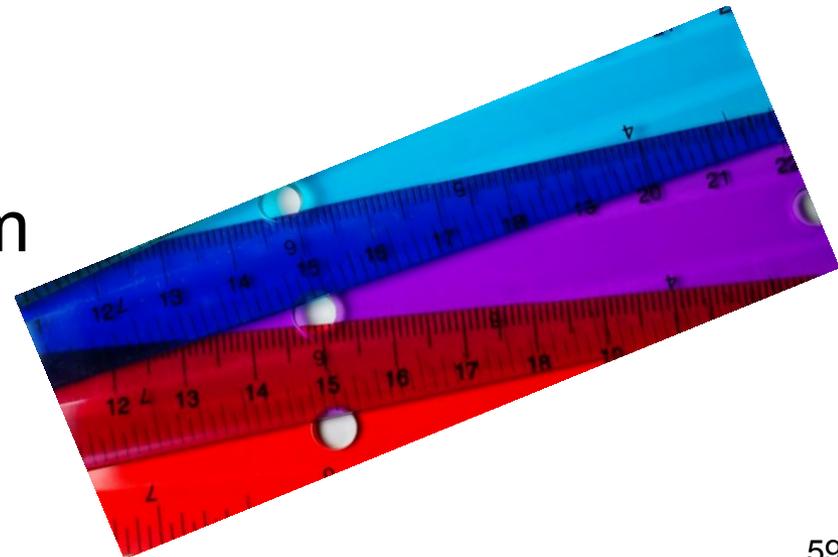
- **Resources that flow as a result of our program**
- **Typically occur afterwards**
- **Investments, Loans, On-going government programs**



- **Reporting Cost share**
  - Cost-share is required in financial reports
- **Reporting Leverage**
  - Reported in program documents
  - MOU should detail reporting requirements
  - Resource partner typically provides data to implementer
  - COTR/AOTR is responsible for ‘valuation’ decision
  - Value of leverage should be a determining factor on whether to enter the alliance
  - Agreement on valuation should be done before the MOU is signed



- Discuss during MOU negotiations
- Determine whose role it is
- May need to report on different metrics for different partners
- Be aware of proprietary data from corporate partners
- Seek common indicators
- Build onto existing program M&E structures





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# Integrating GDA Reporting

- Report on functioning of the alliance as well as all activities of project
- Reporting should be an activity line item in project budget
- Utilize GDA quarterly reports to satisfy partner information needs whenever possible
- Circulating results and reports to all partners can build trust, transparency, and good governance





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# GLOBAL DEVELOPMENT ALLIANCE



## WORKSHOP

# Making Alliances Work

**To achieve development impact objectives, successful Alliances include the following principles:**

**Trust** among partners to build strong working relationships

**Respect** the equal right of all parties to participate

**Competencies** appropriate mix of partner skills & resources

**Inclusivity** partnership processes needs of all stakeholders

**Alignment** of interests for achieving mutually shared goals

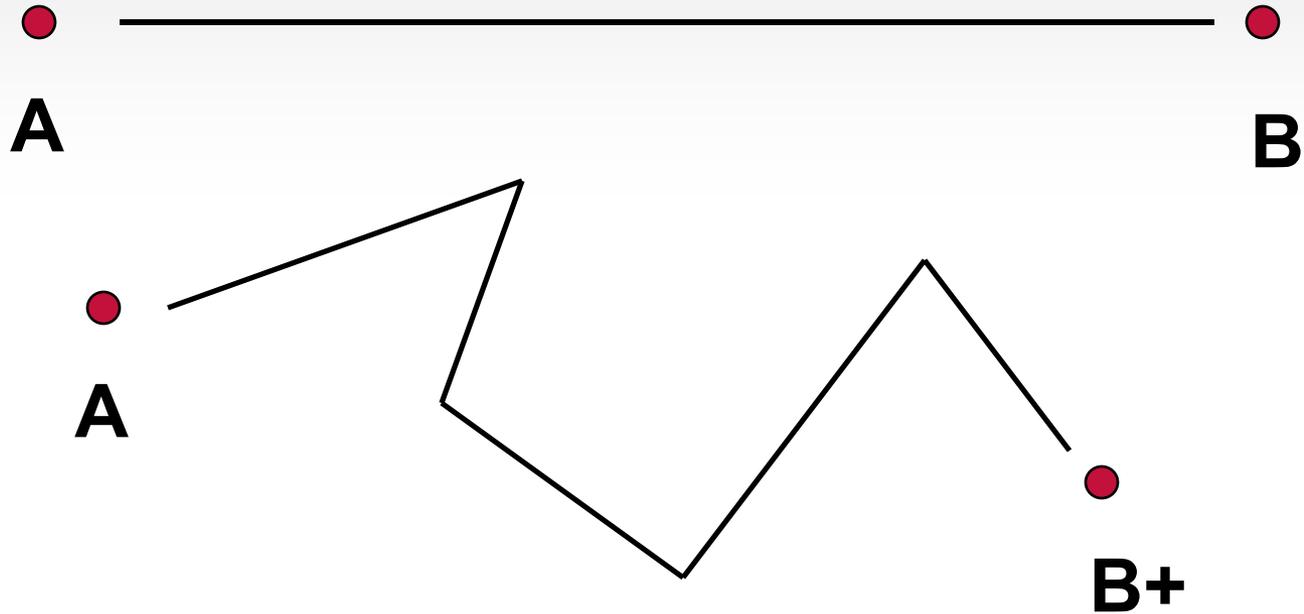
**Mutual Benefit** all partners benefit beyond shared goals

**Transparency** open communication & information exchange





## How do you close the deal?





## Acknowledging and Addressing Our Differences...

### Accountability

- Businesses answer to shareholders for financial gains and losses.
- USAID answers to American citizens and Congress for development impact.

### Core Principles

- Business portfolio activities should advance the company's commercial interests.
- USAID portfolio activities should advance development impact.

### Organizational Culture

- USAID adheres to USG systems, procedures, and protocols which may be perceived as rigid and cumbersome by business.





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# Finding the Right Fit

When designing an Alliance partners should consider...

- Reputation Impact of Partnership
- Less Control
- Upfront Human Resources Required
- Conflicting Partner Priorities
- Implementation Challenges





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# Maintaining the Relationship

- Articulate vision of the public good
- Project is aligned with core business interest
- Check in regularly with partner points of contact
- Regular communication with alliance builders
- Engage partners at appropriate junctures
- Necessary level of resources/commitment to manage alliance
- Clear system for responding to problems
- Partnership roadmap for project closeout or drop in USAID funding





# Management Pitfalls

- Entering into partnerships with self-interested resource partners with no public good
- Working with resource partners solely driven by philanthropy goals versus core business interests
- Valuation of leverage
- USAID not involved in alliance building
- No MOU
- Poor communications
- Inadequate staffing
- Poor project design
- Weak due diligence





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# GLOBAL DEVELOPMENT ALLIANCE



## WORKSHOP

### Marketing Alliances

# Why Market the Alliance?



- ✓ **Attract additional partners and resources**
- ✓ **Advertise corporate partner engagement**
- ✓ **Raise awareness of USAID's partnership efforts**

# Vehicles for Outreach

**Launch Events**

**Press Release**

**Good News  
Updates**

**Newsletters**

**Website**

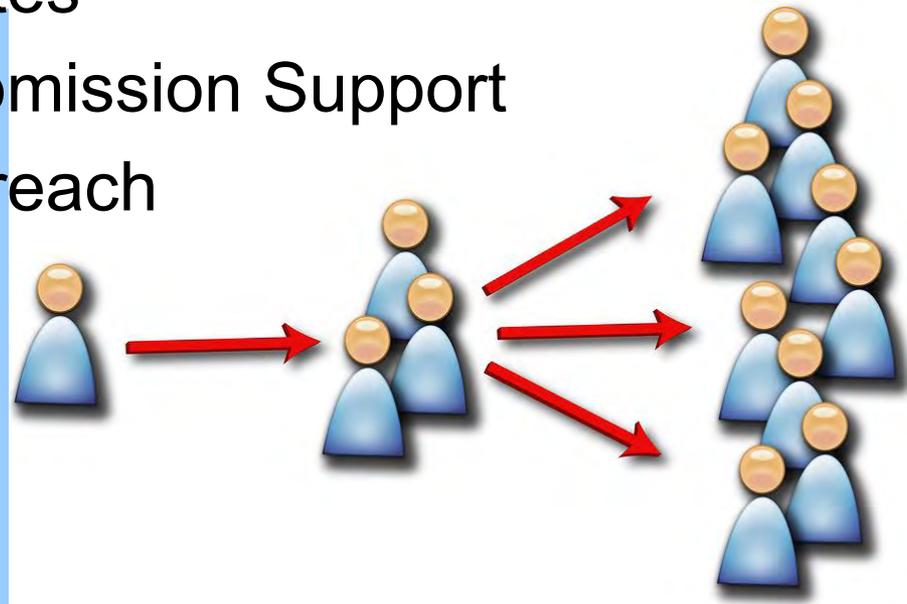
**Brochures**

**Success Stories**

**Videos**

**Other Ideas?**

- GDA Fact Sheet, Brochures, Private Sector Outreach
- Technical Assistance and Consultation
- Coverage in Alliance Innovations and on Website
- Samples and Templates
- Frontlines' Article Submission Support
- Press and Media Outreach



Don't forget to tell your colleagues about your partnership activities

**Brown Bags**

**Weekly to Administrator**

**Regional Alliance Builders**

**Implementing Partner Workshops**

**Regular Meetings with Alliance Builder & Technical Leads**

**Coordination with Embassy**



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## WORKSHOP

# Alliance Management Exercise & Report Out



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## WORKSHOP

### Training Closing



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## A Final Word...

- ✓ Collaboration between USAID & company
- ✓ Delivers development benefit that is a “public good”
- ✓ Leverages resources
- ✓ Not a matching grant
- ✓ Not a passing development fad
- ✓ **Not a “thing we do” but a way we do the things**



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# The Power of Partnerships

[www.usaid.gov/gda](http://www.usaid.gov/gda)

The poster features the USAID logo at the top left and the text 'Global Development Alliances' in a blue banner. Below this, a collection of partner logos is displayed: Coca-Cola, Rainforest Alliance Certified, G|M|F (The German Marshall Fund of the United States), Visa, M&M's, Intel, WWF, Starbucks Coffee, The Home Depot, and Kraft. At the bottom left, the text 'Alliances WORK!' is written in a bold, sans-serif font. To the right of this text is a large, red, fuzzy character resembling Elmo. At the bottom right, the text 'Visit Global Development Alliances at www.usaid.gov/gda' is written in a smaller font.