FOR DECADES, strengthening country institutions and developing human capital have been the bread and butter of the development community. Over time, USAID and others have helped countries develop accountable government services and civil society organizations while investing in the health and education of developing country populations.

While there is no recipe for reliably delivering sustainable, broad-based economic growth, responsive institutions and strong human capital have always been key ingredients.

But there is another critical ingredient to growth that we have seen in every country that’s grown its way out of poverty: a strong and dynamic private sector. And while USAID has been focused on private-sector engagement for years, the development community does not always embrace the encouragement of private-sector activity as part of our core mission.

In October, I gave a speech at our agency’s Public-Private Partnership Forum highlighting how our community could embrace a new wave of enlightened capitalism to help drive the sustainable, broad-based economic growth called for in the president’s Policy Directive on Development and the secretary of state’s Quadrennial Diplomacy and Development Review.

I’m not talking about forming partnerships for partnership’s sake or photo opportunities. I’m not even talking about corporate social responsibility or charity work. I’m talking about helping support the work of markets that can deliver profits and create jobs and deliver economic opportunity for women, minorities, and the poor.

In the speech, I announced several new steps that I believe will be key to this effort, among them the formation of our new Office for Innovation and Development Alliances; the expansion of our use of the Development Credit Authority to support local private-sector growth and significantly increase our commercial leverage; the deployment of a new cadre of investment officers to boost our field-based transactions expertise; and a reevaluation of the way we strengthen enabling environments abroad.

I believe the private-sector connectivity we drive with developing countries today will determine how much we can trade and partner with them tomorrow, creating economic opportunity and greater global stability for our own country.

John Warugaba’s businesses in western Uganda have experienced huge growth over the last six years thanks to a USAID-backed loan. Go online to learn more about his story.
Stitching the Fabric of Reconciliation

“I realize that there are among us those who are weary of sustaining this continual effort to help other nations. But I would ask them to look at a map and recognize that many of those whom we help live on the ‘front lines’ of the long twilight struggle for freedom—that others are new nations posed between order and chaos—and the rest are older nations now undergoing a turbulent transition of new expectations. Our efforts to help them help themselves, to demonstrate and to strengthen the vitality of free institutions, are small in cost compared to our military outlays for the defense of freedom.”

—John F. Kennedy, Special Message to the Congress on Foreign Aid, March 13, 1962

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Correction: In the Jan./Feb. 2012 print edition of FrontLines, the byline for the article titled “It’s Not About the Chair” should have been Chapal Khasnabis, who is with the World Health Organization.

Cover: A potato producer from Carchi, Ecuador’s leading producer of potatoes. USAID and snack giant PepsiColFrito-Lay are working together in the region.

Photo courtesy of USAID Productive Network II

See the online version of FrontLines for links to additional reading and videos.
IN THE FIVE decades since President John F. Kennedy asked Congress to create the U.S. Agency for International Development, the development landscape has changed tremendously. One of the most powerful changes is the growing role of the private sector.

The statistics speak for themselves: official development assistance has gone from being 70 percent of resource flows to the developing world in the 1960s to less than 13 percent today. Private sources of capital—from remittances and foreign direct investment to foundation grant-making—have outpaced official development assistance. This shift is transforming not only how development is funded, but how it is being done.

To be effective, development agencies must adapt to this trend and take steps to make private-sector partnerships a key part of their work. Crafting effective public-private partnerships is no longer a luxury, but a necessity.

USAID recognized this need early on. In 2001, the Agency established the Global Development Alliance program and pioneered a structured approach to public-private development partnerships. With over 1,000 partnerships under its belt, USAID is recognized as a global leader by its peers in the development donor community as well as by private sector organizations. We are proud of this legacy but we know there is still work that needs to be done if we are going to seize the full potential impact these partnerships can have in international development.

HOW THE BUSINESS community thinks about development is evolving. As experts like Jane Nelson at Harvard’s Kennedy School of Government and Michael Porter at the Harvard Business School point out, successful businesses increasingly consider development as a core strategy issue rather a matter of corporate philanthropy.

As USAID Administrator Rajiv Shah has said, “if we are going to encourage truly sustainable, broad-based economic growth in developing countries, we have to do a far better job of working with private firms—be they domestic or foreign, established or entrepreneurial.”
At a forum USAID hosted in December, three Fortune 500 business leaders—Cargill CEO Greg Page, Walter Bell of Swiss Re, and former Merck Chairman and CEO Richard Clark—agreed that development was a core business issue for them. Companies and business leaders like these have a stake in development for a range of reasons such as broadening their access to markets and creating secure, stable, and sustainable supply chains. And what the development community provides is a combination of deep technical expertise, ground knowledge, access, and credibility.

For example, in one recent partnership, USAID is partnering with PepsiCo to help smallholder chickpea farmers increase their yield, which PepsiCo will turn into a high-energy paste that will be used by the World Food Program as well as sold commercially by Pepsi. This partnership is about addressing overlapping interests and leveraging expertise that are core to each of our organizations.

As the business world changes how it thinks about integrating development into its strategies, those of us in the development community also need to adapt how we think about integrating the business world into our strategies.

As Administrator Shah has said, “We must partner with the private sector much more deeply from the start, instead of treating companies as just another funding source for our development work.”

Yes, partnering with business can mean bringing more money to bear on a challenge. But partnering with business can also unlock access to resources like technical expertise and distribution systems that can help improve and sustain development impact. Through programs like the Global Development Alliance, USAID has proven that it has a systematic, replicable process for working with the private sector and establishing effective, mutually beneficial partnerships.

WHAT WE MUST increasingly focus on is engaging business and integrating partnerships as a core part of our work. This is why USAID is taking steps to include public-private partnerships in our country strategy processes; revitalize and revamp partnership training; and create and increase access to tools and resources for staff across the Agency working on partnerships. And the Agency is establishing—through a partnership—an online community which we hope will serve the broad range of stakeholders with an investment in public-private partnerships for development.

These steps, which are aimed at increasing the Agency’s overall capacity to effectively partner with the private sector, are in addition to our efforts to actually establish new, pioneering partnerships.

Public-private partnerships have proven to be key components in delivering on strategic planning defined in the Quadrennial Diplomacy and Development Review and the Presidential Policy Directive on Global Development, which states: “USAID will work in collaboration with other agencies to formulate country development cooperation strategies that are results-oriented, and will partner with host countries to focus investment in key areas that shape countries’ overall stability and prosperity.”

Missions are elevating the collaborative approaches used to identify and deliver on local development priorities; and incorporating public-private partnerships has been a key component in delivering high-impact, strategic alliances that can address both the Agency’s development objectives and the core business interests of our private sector partners.

USAID is the global standard-bearer for public-private partnerships. The Agency provides the expertise and access for businesses to invest in emerging markets, and assists in identifying interventions that are both beneficial for business’ bottom line and work towards the Agency’s development goals.

Through models such as public-private partnerships, development interventions that USAID invests in will not require long-term support but will be sustained by private sector-led growth in developing communities. Short-term humanitarian needs can often be addressed through charity; long-term, sustainable advances in development cannot rely on charity alone. The future of development relies on governments working with NGOs, corporations and local businesses, foundations, and other private-sector entities to develop and elevate interventions that are sustained beyond charitable intervention.
New latrines and innovative hand-washing stations, also known as tippy taps, are leading to healthier children and adults. By Zack Taylor

SARÉ TENING MARA, Senegal—

For people in this Southern village near the Guinean border, “going” outside after dark had always been an accepted way of life. So was debilitating diarrhea, which is frequently fatal in children.

But no one in this village is sneaking around the bushes with flashlights anymore. Instead, surrounding the mud brick huts are dozens of straw-covered latrines adorned with old jerry cans converted into simple, home-engineered, hand-washing devices known as “tippy taps.”

The change has come through a USAID project developed as a Global Development Alliance (GDA) with the Coca-Cola Co. that uses a simple strategy known as community-led total sanitation. The key to the project’s success is convincing village elders to in turn convince the community to reject open-air defecation at all hours in favor of universal latrine use, and to follow up immediately with obligatory hand washing with soap and the tippy tap.

Previously, villagers snuck off behind a tree or bush away from the village to relieve themselves, sometimes with a bottle of water for use afterwards, but often not.

“There is solidarity among the villagers about this idea,” local resident Mohamadou Mballo said. “Our village is clean, and there is less disease, especially in children. I feel very proud when I come away from the bathroom and I press the pedal on my tippy tap.”

Sitting cheerfully in a crowd at a dedication ceremony, with a nursing baby partially hidden by a formal, yet faded dress, Ansatou Mballo agreed. “Now we understand the importance to toilets and washing our hands with soap. Our children rarely contract diarrheal diseases. I dare say these diseases have disappeared from our village,” she said.

Back in September, USAID approached the elders of Saré Tening to explain the project. Soon after, the villagers were solemnly pledging to end the practice of open-air defecation. The project had overseen construction of new residential latrines for the community, and villagers embraced the concept of the tippy tap that consists of an overturned can-and-hose device like that sometimes used for camping expeditions.
In the course of the two-phase project, USAID plans to intervene at nearly 130 remote sites in the conflict-affected southern regions of Senegal.

Today, every Saré Tening household has access to a latrine, and according to villagers, hand washing with soap has become automatic. They also take great pride in their homemade tippy taps, which, with typical West African improvisation, are assembled in a host of unique designs. Mballe, a tailor, designed his tippy-tap to be foot-operated based on the function of his sewing machine. Others strategically placed weights and pull strings on the cans to help them pivot. Cut out plastic bottles nailed to the latrine wall serve as soap dispensers.

Ahmet Koumah, a local ironworker working with USAID on the pumps, said he was impressed with the variations on the concept, and provided guidance on using materials and construction techniques to make the pumps last longer.

Local health officials confirm that villages where USAID and Coca-Cola have introduced the concept of community-led total sanitation have had palpable results.

“Great strides have been made toward reducing a host of diseases,” said Ngor Diouf, head nurse at the Badion district health facility. “Even the rate of malaria has decreased significantly.”

In the village of Bemet Baghaga in Badion district, for example, incidence of diarrhea dropped from 50 cases per month in 2010 before the project started, down to five cases per month in 2011. Likewise, malaria cases dropped from 20 per month to just two in the same period.

Indeed, the villagers are proud of the new sanitary facilities, their personalized tippy taps, and the improvements they see in their health. At a recent visit from USAID, Mballe said: “I’ve put on this outfit that I am wearing two times. The first was at a wedding and the second is today.”

KNOWN AS THE Water and Development Alliance (WADA) in Senegal, the project is a second phase towards an overall goal of improving access to water and sanitation resources, and facilities for the poor in remote communities.

The project’s current focus is the conflict-affected Casamance region, which has the most limited access to safe drinking water and sanitation facilities in Senegal. Overall, the project is expected to increase access to quality water in rural Senegal for more than 32,000 beneficiaries in the most remote areas of the region.

Since 2007, USAID and Coca-Cola have invested nearly $31 million in projects to improve sanitation and access to potable water, and safeguard ecosystems in 23 countries across the world through the award-winning WADA. Costs of the approximately $2 million Senegal initiative are shared equally by USAID and Coca-Cola.

“Coca-Cola has the resources and the impetus to give back to the people who recognize perhaps the biggest brand in the world through its principles of corporate social responsibility,” said Senegal Mission Director Henderson Patrick. “Coca-Cola’s emphasis on acting as a responsible corporate citizen, and USAID’s technical expertise and systems of delivery make for a winning combination.”
A FEAST OF color greets the eye as one enters the factory floor. The seamstresses favor bright-hued blouses, skirts, dresses, and kurtas. Recent hires wear yellow head scarves while older hands wear blue. In January, at Brandix Lanka Limited’s new factory in Punani, Sri Lanka, lines of employees were turning out hundreds of ladies’ tank tops in pink, white, and yellow. These days, the facility also produces school uniforms and children’s wear for Tesco, an international retailer.

The project—a unique public-private alliance between USAID and Brandix—is one of several partnerships the Agency has forged with local Sri Lankan firms committed to reconciliation in the country’s historically troubled Eastern province. Brandix is Sri Lanka’s leading apparel exporter.

Combining opportunity and reconciliation, the pilot program, known as the Apparel Sector Training Partnership (ASTP), is building brighter futures in an economically lagging region rife with ethnic mistrust resulting from prolonged conflict. While imparting new skills and creating new jobs, the alliance is also fostering new neighborly attitudes.

FOR MORE THAN two decades, Sri Lanka’s Eastern province
witnessed brutal violence between government forces and insurgents seeking a separate Tamil state in northern and eastern parts of the island. Some Eastern province residents—on both sides—served as combatants while others suffered bloodshed, fear, quarantine, and expulsion as civilians. When insurgents on the Eastern front met with defeat in 2007, residents welcomed a tentative peace, consolidated by the 2009 island-wide military defeat of the Liberation Tigers of Tamil Eelam. The laying down of arms also meant that Sri Lanka had to confront the war’s terrible toll on economic life and community relations.

USAID responded with integrated initiatives to help repair both. Launched in 2008 and running until 2013, ASTP trains unskilled workers in former conflict areas, and hires them for Brandix’s new factory in Punani, a town well-located to draw trainees from all three major ethnic communities. In their segregated neighborhoods, these communities rarely fraternize with each other.

A high proportion of former internally displaced persons can be found among the residents, a majority of whom subsist below the poverty line of one dollar per day. Early ASTP training took place in an abandoned school building, its outside walls pocked with bullet holes. Their education waylaid by decades of conflict, most trainees could neither read nor write.

At the factory, six months of on-the-job training follow an eight-week pre-job workshop including basic life-skills training on matters like punctuality, grooming, and handling bank accounts, along with team-building exercises. Volleyball games foster skill in overcoming Tamil-Sinhala language barriers. Teams also compete in games requiring recall of personal facts about colleagues such as the names of brothers and sisters and preference for dogs or cats.

Some 1,000 young people so far, representing Tamil, Muslim, and Sinhalese groups in rough parity, have learned new skills, and 600 have started working together.

“The opportunity has been especially appealing to young women, who otherwise cannot find jobs in the local market,” says Anna De Silva, USAID’s activity manager on the project. Brandix organizes its Punani work force into multi-ethnic teams and evaluates their performance. In order to perform effectively, teams must manage their language differences. Top teams might win a trip to Colombo for a fashion show, for example, or other special rewards.

Graduates of the program become certified sewing-machine operators, with highly transferable skills and credentials. At Brandix, they earn $85 per month, far more than in the day-labor market that is their main alternative.

USAID’s $200,000 grant supported the pre-employment training for 1,000 workers and purchase of a full-sized bus for their transport. Brandix purchased a second bus and committed nearly $1 million for other costs, including stipends for training on the job, deposited directly into bank accounts to foster saving habits.

AMIDST THE FACTORY bustle stands 35-year-old Rajeswari,* who lives with her father, younger sister, brother-in-law, and infant nephew. Her goal is to buy a nicer house where all can be more comfortable. A Tamil Hindu, she attended school through grade 5. She has a nice smile but seems sad and hesitant, as if struggling with depression. She wears an army-issue prosthetic left foot.

Drafted by the Tamil insurgency in 1994, Rajeswari lost her foot three years later when shrapnel penetrated her bunker near Vavuniya in the north. She also suffered wounds, still visible, to her head and shoulder.

“Soon afterward, I learned by letter from home that my mother had fallen very ill,” she says, “but I could not get permission to visit. Another letter told me she was gone.”

Home at last in 2009, Rajeswari could not find work until ASTP general manager Theo Gunasekera paid a village visit. Lacking the dexterity of two feet, she could not operate the machines, but Gunasekera thought she could help out in the packing unit. She wins attendance prizes regularly.

“My little team has Sinhalese as well as Tamil girls,” says Rajeswari, “and we get along fine. My leg hurts...”
HOME TO AN estimated 400,000 people, the city of Herat lies on the ancient trade routes of the Middle East and Central and South Asia—just 50 miles from the Iranian border. The province bearing the same name is the largest and most significant urban area in western Afghanistan.

Mining has occurred throughout Afghanistan for thousands of years. More than 60 known deposits of valuable stone are found nationwide, representing 35 varieties in more than 40 colors, including fine-grained white marbles.

The Herat region boasts many of the country’s largest and best-quality marble quarries. In a country struggling with widespread unemployment and poverty, the marble sector has the potential to generate thousands of jobs and millions of dollars of revenue for the region.

Yet, despite these significant mineral deposits, the mining sector has been unable to meet even domestic demand, let alone the significantly larger demand from international markets.

Getting marble to market is costly and difficult. Every stage of the process is fraught with challenges, from extraction and processing to distribution. Outdated methods increase the dangers to employees and waste valuable stone. Today, Afghan marble is still often quarried through dynamite blasting, which not only destroys some material immediately and diminishes its value by reducing stone size, but also fractures the quarried stone, leading to breakage during cutting and polishing.

Despite road improvements throughout Afghanistan, much of it carried out by USAID in cooperation with the Afghan Government, the condition of many rural routes continues to impede the transportation of raw materials to processing plants and hinders the processor’s ability to get the finished product to market. Many roads are unpaved and are washed away or become impassable in winter. This, in turn,
places great stress on trucks, making transportation the largest cost in exporting Afghan marble, and reducing its competitiveness.

Producing and exporting finished products would slash costs—raw marble blocks weigh at least 35 percent more than processed material. But currently, the majority of Herat’s premium-quality marble is exported in heavy blocks rather than processed slabs or tiles. Even when the stone is processed, it is typically done with obsolete technology yielding low-quality finished products that do not meet the needs of international buyers.

Security issues, in the form of criminal activity and the threat of insurgent attacks, can be another obstacle, affecting the quantity of extracted marble and the ease of getting it from quarry to market. Drivers have reported being regularly robbed or asked for baksheesh, mandatory payment for the use of the road. It is unclear if these bribes were paid to criminal gangs, insurgents, or corrupt officials.

USAID/Afghanistan’s Farid Ahmad Barkzai, a contracting officer’s representative, noted that “with all the challenges facing Afghanistan’s mining industry, it was clear the full cooperation of the private sector, local communities, and international donors is required to take full advantage of Afghanistan’s natural resources.”

PRIOR TO RETURNING to his homeland to invest in the mining sector, Mohammad Nasim Doost, together with his brother Adam, accumulated over 30 years of experience mining amethyst and garnet in Brazil and Zambia. Upon his return to Afghanistan in 2006, Doost established Equity Capital Mining which began receiving USAID private-sector development support in 2009. “We have invested heavily in the marble quarry and processing factory in Herat, as we identified a need for private-sector investment that would

Chesht is in high demand in the Middle East and Central and South Asia, where it is seen as being on par with the famous Italian Carrara marble used to construct the Pantheon and Trajan’s Column in Rome. Bordering Herat province directly to the north, Turkmenistan, in particular, has become a valuable customer of Herat processed marble, owing to the government’s determination to construct modern city buildings using high-quality white marble.

Through a Global Development Alliance project, USAID helped Equity purchase modern, diamond-wire chainsaws to improve efficiency and increase output, while also raising the quality of cut marble to international standards. Private Afghan enterprises play a significant role in the process, helping to identify problems and solutions, and ultimately sharing the risks and rewards. The Global Development Alliance is a USAID-sponsored, public-private partnership that brings together the resources of multiple actors to spark economic development.

“THIS INNOVATIVE partnership enables alliance members, including corporations, local business groups, and non-governmental organizations, to address jointly defined challenges in the mining sector,” says Barkzai. “Through this multi-stakeholder approach, the mining sector has begun to tackle issues and achieve solutions no single actor could handle alone.”

As an illustration of the approach, Doost secured loans from both the
“Every Guest House, Beer Bar, and Restaurant…”

By Brad Arsenault

Your Voice, a continuing FrontLines feature, offers personal observations from USAID employees. Brad Arsenault is the education officer for USAID’s mission in Cambodia.

I typically navigate the charming streets of Phnom Penh by tuk tuk, a two-wheeled wagon attached to a small motorcycle. Eager tuk tuk drivers are efficient and often serve as unofficial guides to the city. Last month, while on a longer drive across town, my garrulous driver and I chatted about family, the Khmer Rouge, and our jobs.

When I told him that I worked for USAID, he became excited. “Ah yes, USAID, you have done a lot of good things for our country,” he proclaimed enthusiastically. When I asked him specifically what he meant, he said that “USAID helped bring condoms to Cambodia, and now we have less HIV in the country.”

While I was impressed with his response, I also considered that he may just have been telling me what I wanted to hear—maybe this was just an eager driver looking for a generous tip.

This conversation coincided with the release of the 2010 Cambodia Demographic and Health Survey (CDHS), a national representative sample survey with almost 27,000 women and men ages 15 to 49. The CDHS provides a wealth of health information that helps policy makers and planners with up-to-date and reliable statistics on fertility, family planning, nutrition, malaria, and HIV/AIDS. Lending support to my driver’s statement, the CDHS found that three of five condom users, or 60 percent, use OK brand condoms and 40 percent use Number One. The success of both of these brands is born out of a unique partnership that started more than four years ago between USAID and the United Kingdom’s Department for International Development (DFID).

Since my arrival in Cambodia in June, I have taken several trips to the remote corners of the country and observed how the OK brand seems to have permeated every guest house, beer bar, and restaurant.

In 2007, USAID and DFID came together to support the Social Marketing and Behavior Change Intervention for HIV/AIDS, Reproductive and Sexual Health, and Child Survival project in Cambodia. This program, in partnership with the Cambodian Government, works with the private sector to improve overall product and service delivery of condoms and other family-planning
tools to poor and vulnerable populations as well as to meet national development goals. The program is implemented by Population Services International (PSI) and managed by USAID.

SINCE THE early 1990s, USAID and DFID have supported the efforts of the Cambodian Government to rebuild the public health system in the areas of HIV/AIDS prevention, reproductive health, and child survival. The two agencies have a history of close coordination and shared objectives in Cambodia. In particular, both agencies have focused on increasing the delivery of life-saving health products to communities across the country.

Building on years of collaboration, the Social Marketing and Behavior Change Intervention program was launched in 2007 as a new, collaborative five-year program for Cambodia. The program fundamentally changed the scope, operation, and, most importantly, the impact of USAID- and DFID-funded programs in Cambodia compared with earlier years. Both agencies realized that partnering would naturally strengthen their ability to achieve their goals.

At the same time, DFID began a global restructuring and a reduction of its footprint in certain regions and countries. While DFID wanted to continue to support Cambodia’s health-sector goals, it had to reduce its overhead costs and in-country staff.

Partnering with USAID, which took on the technical leadership and oversight of the award, the U.K. was able to continue to support the program. DFID committed $7 million over five years and USAID committed $13.5 million for the same period.

The partnership focused on long-term sustainability and equity not only between USAID and DFID, but also between the government and implementing organizations like PSI. As a result of these efforts, USAID and DFID set the standard for bilateral coordination, cost-efficiency, and overall health impact.

In fact, in just three years, the partnership had already registered tremendous gains in increasing the visibility and availability of health products and services, including improved quality for those using private health-care providers, while simultaneously educating Cambodians about how to improve their health.

Based on the latest round of HIV surveillance in Cambodia from the Ministry of Health HIV/AIDS program, estimates indicate a decline in adult HIV prevalence, from 2.4 percent in 1998 to 0.8 percent in 2010. Currently, there is no other health program in Cambodia as comprehensive as the USAID-DFID program in terms of outreach and coverage. For instance, it is the only program that targets high-risk urban men; since the start of the program, more than 500,000 urban men at risk have been reached across four provinces.

Partnership takes work, shared values, and goals. USAID and DFID are now the biggest donors to harness the private sector and deliver high-quality, affordable health products and services to the poor and vulnerable in Cambodia. Equally important, the Cambodian Government is often cited for its openness and willingness to tackle HIV alongside its international allies. This model of partnership is something that can be replicated on a global scale between various donors.

The average Phnom Penh tuk tuk driver may not realize the behind-the-scenes synergy of donor partnerships, but he does know where to turn to for health support and where to find a quality and affordable condom.
FIVE YEARS AGO, Berthe Yadjo and her family had a very different life and livelihood. Her husband, like most artisanal miners in the Central African Republic (CAR), would search for a new site to mine and begin to dig quickly. When he discovered diamonds, he would sell them to the first buyer at the first price offered. This process would repeat itself until the mine was exhausted, and then the family would move on to the next mine.

The Yadjos lived in fear that at any time a rival miner or the government would confiscate the mine, and that diamonds would be stolen before they could sell them. At the same time, the family struggled daily to meet its basic needs.

Through a USAID project that strengthens property rights, Yadjo and her children now lead a more stable life in the small village of Loppo. The project deals with illicit diamond production—which violates the Kimberly Process—by channeling the diamonds into the legal market. This enables the artisanal miners to earn a fairer wage on their diamonds.

Even with the death of her husband, Yadjo has been able to secure land and a livelihood. That’s because before he died more than two years ago, Yadjo’s husband obtained a
property-rights certificate verifying the mine site as his own, which Berthe Yadjo has since inherited.

After the mine was exhausted, Yadjo converted the mine pit into a fishpond, which generated enough income through fish farming for her to purchase two additional exhausted mining sites and rehabilitate them as well. She and her children no longer worry about land confiscation or when and what they will eat. In addition, this work supports environmental recovery.

This is just one successful result of a program managed by USAID’s Office of Natural Resources Management in Central African Republic to increase legal diamond production and strengthen property rights, while at the same time reducing conflict and promoting economic growth, advancement for women, education, and good governance. Due to the success of the five-year program, it was recently expanded to Liberia.

USAID is not the only interested party. The Property Rights and Artisanal Diamond Development Project is also attracting attention from civil society organizations and from private industry. In 2011, the Taipei Economic and Cultural Representative Office, responsible for maintaining and developing bilateral relations between Taiwan and the United States, awarded a small grant to the project implementers to purchase GPS devices to support claims mapping and certification.

The Gemological Institute of America (GIA), a nonprofit institute with a mission to ensure the public trust in gems and jewelry, awarded a grant for 20 miners to attend a one-week training course on diamond sorting and valuation this spring. Through the grant, GIA will provide specialized training materials, including rough diamonds, as well as an instructor, assistant instructor, and translator.

GIA President and CEO Donna Baker said: “We look forward to serving this region through our educational offerings and are honored to work alongside USAID on this important initiative to help achieve a greater quality of life for the residents of these African communities.”

At the foundation of these partnerships is the five-year-old USAID project in the land-locked country. “What started as a pilot project has developed into a mature project and replicable model for other programs,” said Eric Postel, assistant administrator for USAID’s Bureau for Economic Growth, Agriculture and Trade. “As a result, partners have come forward on their own to contribute financial and other resources in support of our development efforts. We anticipate additional partners joining us in strengthening the project in CAR and possibly expanding to other countries.”

IN CAR, ALL MINERALS are the property of the state, however, small-scale mining is permitted where industrial techniques are impractical. Small-scale miners are required to
obtain a license from the government for $60, but most are extremely poor and never buy them. Because the penalty for mining without a license is arrest and confiscation of diamonds, the prevailing mindset is to mine quickly, sell fast, and move on.

The economic and environmental consequences are predictable: financial benefits to miners and their communities are low, and exhausted mine pits are left behind.

At its core, the USAID project works to increase the amount of diamonds entering the international market legally while improving the benefits to mining communities by promoting legal mining and strengthening property rights. Formal diamond production cuts down on smuggling the valuable gems—estimated to be a $10 million to $15 million business on the black market—and increases national revenues from exports.

“With property rights strengthened and clearly defined, small-scale diamond miners can move from the sidelines into the formal production system. Additionally, strong property rights increase the economic value of land and makes the eventual rehabilitation of that land much more likely,” explained Tim Fella, land tenure and conflict specialist at USAID.

USAID also provides technical assistance to help the Central African Republic Government identify and record more claims and issue certificates. Because the certificates improve the security of the miners’ rights, the value of the land also increases.

In addition, certificates provide miners with legal recourse should a land dispute arise. It appears to be working: Resource-related disputes fell 97 percent from 2008 to 2010 in the two prefectures in which the program is operating.

The project is implemented in consultation with the Department of State in support of the Kimberley Process Certification Scheme, which aims to eliminate the international trafficking of conflict diamonds. It was set up to ensure that consumers are not financing war and human rights abuses by purchasing diamonds. Conflict diamonds jumped into the public consciousness most prominently with the 2006 “Blood Diamond,” a big-budget movie starring Leonardo DiCaprio and Djimon Hounsou, who become inadvertent allies in a quest to retrieve an especially lucrative illegally mined diamond.

The USAID project includes working with government officials to lower artisanal mining fees, which increases incentives for miners to obtain a license to mine. With more miners operating legally, government revenues rise. Due to the 36-percent reduction in mining fees and a legal mining promotion campaign, CAR miners in 2011 bought licenses at twice the rate of the previous year. It is expected that future revenues will exceed levels reached under the previous fee structure.

Additionally, the project has helped map mining sites through the use of GPS

Artisanal mining techniques used in the Central African Republic are often very simple. This man uses a basic sieve to find diamonds.
and community validation workshops. After sites have been mapped and claims verified, the mines can be certified.

SINCE ADDRESSING the concerns of land and mineral confiscation, miners have been able to focus their time and other resources on boosting production. Many are making investments in equipment and other improvements to increase productivity. Legal diamond production in the provinces where the program operates increased from 4 percent to 27 percent of national production in just two years.

One miner summarized the improvement to his life looking forward: “I now have a livelihood after my mine is exhausted—this project helps me find other options to make investments in work that is not as physically demanding. I can now grow old a little more comfortably.”

The potential for miners could grow even more. Late last year, NGOs and representatives from the global diamond industry—including buyers, sellers, polishers, and cutters—joined with USAID, the Department of State, and the U.S. Geological Survey to explore partnership opportunities. The group has scheduled an exploratory trade mission for March to assess the feasibility of the U.S. diamond industry directly sourcing minerals from project-supported miners at fair prices. A partnership would not only offer the opportunity for increased incomes for miners but also technical training and investment, said Fella.

During preliminary talks, one diamond company executive said to U.S. Government partners: “For you, this project is about development, and for us it’s about profit, but these are not mutually exclusive.”

In the meantime, diamond miners are finding other ways to grow their profits with USAID assistance. To lessen environmental damage and create more sustainable livelihoods, the Agency is helping communities re-claim exhausted mines. Nearly 500 mined-out diamond pits, which would have otherwise been left as malarial breeding grounds, have instead been converted into fish farms, vegetable gardens, and fruit tree orchards.

Some miners now say they make more money from fish farming than digging for diamonds. The intervention also has enhanced the land market. Well-situated exhausted pits are being bought for conversion to income-generating uses just as Yadjo has done.

In fact, Yadjo’s success earned her an invitation to the U.S. Embassy in Bangui for a women’s entrepreneurship workshop recently. While there, she gained invaluable knowledge and, back at home, stature in her community. She now organizes women and provides them with investment training to build their own fishponds. 
By Geoff Minott and Leanne MacDougall

Starting in 2006, USAID and Kazakhstan broke all development molds to forge a unique joint-financing venture. Now, the Central Asian nation is on its way to becoming a donor and a regional leader in its own right.

When USAID arrived in Kazakhstan in 1992, following the break-up of the Soviet Union, the country’s centrally controlled system lay in ruins. No one could have imagined that, less than 15 years later, this once-underdeveloped Central Asian republic would be co-financing USAID’s economic development work in the country—or that its improved business environment would become a model of partnership in economic reform to other countries in the region and beyond.

In the 1990s, USAID had a broad development portfolio in Kazakhstan—USAID was a donor and Kazakhstan was the beneficiary. But that relationship started to change toward the end of the decade as oil-rich Kazakhstan profited from high oil prices. By 2001, officials from the United States and Kazakhstan began discussing ways the two countries could jointly support projects to modernize Kazakhstan’s economy.

In 2002, Kazakh President Nursultan Nazarbayev traveled to Washington to sign the Houston Initiative, an agreement that formalized U.S. support to Kazakhstan’s effort to develop non-energy sectors of its economy.

“The Houston Initiative is a partnership between Kazakhstan and the United States … to increase the competitiveness
of our country’s business sector,” said Kassymzhomart Tokayev, Kazakhstan’s former minister of foreign affairs, in 2002.

But it wasn’t until 2006 that the U.S.-Kazakhstan Program for Economic Development (PED) was signed and launched.

“The Houston Initiative was the seed that blossomed into PED,” said Svetlana Golovatskaya, project management specialist with USAID/Central Asian Republics, who recalls the period leading up to the launch. “Bringing two governments together with different ideas and different approaches to doing business was the biggest challenge, sort of like bringing two people together who don’t speak the same language and telling them to recite a poem together.”

Laying out each country’s contribution and activities and formalizing the role that Kazakhstan would play in the initiative were unique challenges; the country wanted to actively participate in its own economic development.

“Part of the delay in getting started was because there was much that had to be done before the ball could start rolling. Being unique meant inventing something new,” said Lora Kudaibergenova, project management specialist with USAID/Central Asian Republics. “It wasn’t easy getting the mechanisms in place for money transfers, coordination, and reporting. It took over two years. But it was worth it.”

THE PED WAS a global first for USAID; it was the first time the Agency and a host government negotiated a co-financing agreement with the recipient country paying for a portion of USAID’s in-country economic development activities. In 2007, USAID staff from Azerbaijan came to Kazakhstan to study the new partnership model. In 2008, the Government of Azerbaijan and USAID also adopted a co-financing agreement. Azerbaijan currently finances almost half of the USAID mission’s socio-economic development portfolio, having financed 46 percent from 2009 to 2011. The total budget for the activities was $45 million.

From 2006 to 2009, the value of the U.S.-Kazakhstan PED portfolio was $40 million, with Kazakhstan contributing over $15 million. Between 2006 and 2009, the Government of Kazakhstan’s contribution rose from a quarter of the costs of USAID’s economic development work to half.

But there were unforeseen pitfalls. Financial reporting had to be reconciled between USAID’s fiscal calendar year, which runs from Oct. 1 through Sept. 30, and Kazakhstan’s fiscal calendar, which coincides with the calendar year. It was also difficult for USAID to get its Kazakh counterparts to understand Agency funding and disbursement protocol, that is, how USAID obligates and expends funds. “There were times when it was like trying to fit a square peg in a round hole,” Kudaibergenova said.

But there were visible and significant successes, and it was clear PED was making an impact. In 2010, both the Government of Kazakhstan and USAID agreed to extend the program for an additional three years, from 2010 to 2012, and the terms were adjusted, with Kazakhstan paying 66 percent of the costs—for every $1 USAID pays, the government of Kazakhstan pays $2. The Government of Kazakhstan now provides $3 million a year, and USAID provides $1.5 million a year. This re-investment in PED signaled Kazakhstan’s continued interest in furthering its national development agenda in partnership with the United States.

OVER THE YEARS, the PED included many multi-year projects that provided technical assistance and training to the Government of Kazakhstan, the private sector, the banking sector, and to non-governmental institutions. Most of the work under the PED has been in the area of economic reforms to improve the legal and regulatory framework for business, or support to small- and medium-sized enterprises through strengthened financial services, access to credit, business skills, consulting services, and financial management tools such as international accounting standards.

The USAID Business Environment Improvement project helped the Kazakh Ministry of Economic Development and Trade to implement reforms that resulted in the country being rated the world’s top reformer by the most recent World Bank “Doing Business Report.”

“Our most important achievement with USAID is a crucial change in Kazakhstan’s business environment. We can say, unambiguously, that the project brought changes in legislation over the past few years and that these changes have crucially improved the business environment in Kazakhstan,” said Irina Tyugina, acting director of the Association for Protecting Astana Entrepreneurs Rights.

“Our first meeting with USAID took place in the 1990s. They didn’t understand what we wanted, and we didn’t understand what they wanted,” said Ilya Segal, chairman of the Freight Forwarders Association, an NGO that advocates for transport service providers, shipping companies, and other private businesses...
Imagine a crowd of doctors busy around my kid. They tell me that he will go blind if not operated on immediately,” said Maqruhi Raganyan.

“It was terrible, and I was in panic,” said the mother of 50-day-old Hakob Raganyan, recalling her visit to a hospital in Yerevan, Armenia, during the summer of 2010.

Raganyan confessed that she calmed down only after Dr. Thomas Lee, a visiting physician and director of the Vision Center of Children’s Hospital in Los Angeles, Calif., approached her and explained in detail all possible consequences of the disease for her son.

“I really trusted them, because they seemed very experienced people,” she said. “Finally, I understood that no matter what I feel, I am not a specialist and I may make a mistake. I will never forgive myself if my child goes blind because of my mistake.”

In the post-independence years of the early 1990s, Armenia was described as a “beautiful and tragic place” filled with bombed-out hospitals, injured people from the war with Azerbaijan, and disintegrating infrastructure. Cats roamed hospital corridors to catch mice, and basic medical instruments like scissors were too dull to cut tissue. If a patient was facing vision loss, there was little that could be done.

Still today, many Armenians living in the marzes, or regions, outside the capital city Yerevan are poor. Patients frequently cannot afford care. And even when care is available in Yerevan, people from the regions are often unable to travel there. Armenia’s mountainous terrain and extreme climate reduce access to many parts of the country. Quite often people are literally stuck at home without help.

In response to these challenges, Dr. Roger Ohanesian organized what would become the Armenian EyeCare Project (AECP). The Armenian EyeCare Project Charitable Foundation, an Armenian-American diaspora-led organization, launched a program called “Bringing Sight to Armenian Eyes” in 2003 to strengthen the eye-care system and reduce preventable blindness in the country.

In October 2004, USAID and AECP joined forces. Through the partnership, USAID/Armenia helped the AECP roll out and scale up a program that complemented the mission’s goal of strengthening primary health-care programs in Armenia. The project ended in 2011.
Sight to Armenian Eyes

The AECP doctors and the project’s state-of-the-art Mobile Eye Hospital (MEH) traveled countrywide to provide high-quality eye care in the regions, covering 90 percent of Armenian’s communities. The MEH is a semi-truck consisting of two exam areas, a scrub and prep room, and a surgical room along with state-of-the-art equipment. Patients can be screened for diseases and undergo cataract surgery and laser procedures. Since 2004, the AECP has examined 245,000 people, provided laser treatment or surgery to nearly 10,000 patients in the MEH, and distributed 36,000 eyeglasses to vulnerable populations.

GEVORG AVETISYAN recalls the day he brought his daughter Ani to visit the eye doctor at the Malayan Ophthalmic Center in Yerevan. “On that day there were a lot of people on our floor in the corridor. ‘Americans are here! They examine patients!’ people were whispering all around,” he said. “When we entered the screening room, we saw one tall American guy with his shorter colleague examining patients surrounded with a crowd of Armenian doctors. Our ophthalmologist, Dr. Anna Hovakimyan, introduced Ani to them. “After they examined my daughter, I heard the best words of the recent

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Makruhi Raganyan’s son Hakob received laser eye surgery and was saved from lifetime blindness.
Partnering at the Intersection of Business and Development: An Interview with Walter Bell

Walter Bell is chairman of insurer Swiss Re America Holding Corporation, where he provides supervisory governance of its businesses in the Americas, and oversees regulatory and public affairs for its North American businesses. Previously, Bell served as Alabama insurance commissioner and president of the National Association of Insurance Commissioners.

**USAID:** What is the nature of your partnership with USAID?

**WALTER BELL:** We are partnering with USAID to take the results of our prior collaboration under the Index Insurance Innovation Initiative, which examined how the poor and vulnerable can best use insurance to manage risk, to develop innovative insurance products for the poor and their families. Our hope is that these products will allow societies, especially groups like farmers, to be better able to prepare for and cope with the impacts of droughts, floods, and other severe weather events that are predicted to become increasingly common as the climate changes. This, in turn, will help vulnerable communities fight hunger, build resilience to climate change, and reduce the costs of natural disasters in the Americas, Africa, and Asia.

**Q:** We often hear that there already is a shift or there should be in how the private sector thinks about development—from philanthropy to something that is a core business interest. What do you think: Why should the private sector care about development?

**Bell:** Swiss Re pursues development through public-private partnerships because we see this as a critical tool to shape our commercial environment, open new markets, generate business growth, spark innovation, and support the brand. At the same time, one of the key lessons we’ve learned in our partnerships with the public sector is that, in order for them to be effective and succeed, they have to be treated as part of our core business.

Swiss Re is a reinsurance and insurance company, and similar to our relationships with corporations or insurance companies, when we insure a government or a small-holder farmer against hurricanes, droughts or other catastrophes, we are risking our shareholders’ capital. Therefore, we need to be sure that such decisions are commercially sound. In our recent successes with USAID, we have applied commercial principles while staying conscious of the long-term opportunities presented by these projects. The results have created the foundation for what we believe will be a true long-term partnership.

**Q:** As a business leader, what is your motivation for engaging your company in partnerships with an organization such as USAID? What do you see as USAID’s value?

**Bell:** We believe that the private sector can benefit from the sustainable vision that the public sector brings to projects, as well as valuable access to key stakeholders and increased credibility. In that sense, we see USAID’s value as three-fold: First, USAID brings to bear a global network of on-the-ground professionals who can assess the needs of communities that we don’t typically
have access to. Second, USAID’s local know-how allows us to bring on additional partners for a project, and, more importantly, the right ones, especially in markets where the choice may be limited. Finally, USAID provides the independent view critical to ensure that our risk management solutions actually achieve their intended goal of making communities more resilient. In this way, USAID adds value by motivating us to innovate through new products, as well as to improve and develop new markets.

**Q:** As you’ve gotten more familiar with the world of international development, what has surprised you the most—about the people and organizations involved, the work itself, or relevance to business?

**Bell:** Within the world of international development, it has been interesting to witness the growing awareness that it takes the efforts of both the public and private sector to address the megatrends of environmental change and economic challenge. The public sector—which currently absorbs the vast majority of large risks—is exploring ways to transfer the financial burden on more shoulders. The private sector, on the other hand, has significant know-how and appetite to absorb selected risks in a partnership approach. This change in perception has been quite new and remarkable, but proves that the need for public-private partnerships is tangible and real.

**Q:** What do you look for in a potential partner from the development community? If you were advising a development organization such as USAID, what would you recommend doing to make it a more attractive partner for the private sector?

**Bell:** We believe that, through collaboration with governments and intergovernmental organizations, we can contribute to making society more resilient—and this applies to advanced economies as well as emerging markets. What has been the real differentiator for us in the partnership with USAID has been the effort to move this mutual interest from theory to practice. We have begun spending time with USAID to map where our interests and expertise overlap and complement each other, culminating in a short list of joint projects that we work to implement. From a business perspective, this provides us a tangible framework to measure the success of a partnership. And to be clear, success does not only mean whether we meet the goals we set, but also how we work together. This mutual accountability is critical to making a development partner attractive to the private sector.

**Q:** In looking at the U.S. Government’s current allocation of aid dollars across a spectrum of programs and initiatives, what is an area that you feel is not getting the attention and/or funding it deserves?

**Bell:** Global development organizations are paying an increasing amount of attention to the concept of country risk management, a holistic approach to allow the most senior levels of government to early-on identify, manage, and transfer risks—social, economic, environmental, and political. The idea is that the public sector can manage the long-term effects from these risks more efficiently by mitigating them and financing them before—instead of after—a catastrophe occurs. The need for more funding in this space is seen most evidently in the growing impact of natural disasters and their related costs for relief and reconstruction. In addition to insurance companies, governments, individuals, and corporations foot the bill from natural disasters, potentially leading to higher indebtedness, asset depletion, raised taxes, or the deferral of planned investments. By applying a country risk-management framework, we think the public sector can make our crisis response mechanism more efficient and cost-effective.

**Q:** What’s the one thing you’d recommend someone in the development community keep in mind when they are trying to build partnerships with the private sector?

**Bell:** A partnership is a two-way street; therefore, openness on the objectives, priorities, and approach are key elements for success. For example, we have worked for a number of years with USAID on various agricultural insurance programs in Africa. The value of working with USAID is the ability to push the innovation envelope and take insurance to new frontiers such as using satellite technology to determine payments after a drought. This innovation is very well received by USAID and has helped solidify the partnership. At the same time, USAID recognizes our operating model and that we will commercially approach business in order to ensure long-term sustainability. This mutual and transparent understanding has given both parties the confidence needed to launch and, over time, enhance our partnership.

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In Brazil, Doing Good Is Good for Business

By Isadora Ferreira

Over six years, USAID has created and fostered a group of over 100 companies dedicated to promote social and environmental development in South America’s largest country.

When fishermen from Santa Cruz de Cabrália, a small town in Bahia state, go out to sea, they take a smart phone equipped with navigation, weather, and business applications that will guide them while fishing. They have in their hands information on their clients’ demands for fish, market prices, and costs. They can close deals from their boats. When it is time to go back to land, they can take the fish to a fully equipped processing unit that is helping fishermen get better prices for their products.

“In the past, we used to go out to sea with no information at all. The only thing we had was faith,” says fisherman Genival Cerqueira Guerra.

This change in his life is the result of almost two years of negotiations led by USAID to create the Fishing with 3G Nets initiative. The project is a partnership with three companies—Qualcomm, Vivo, and ZTE; and one NGO, Instituto Ambiental Brasil Sustentável (IABS)—which aims to promote economic development through inclusion of the local fishing community in digital technology.

By providing fishermen, including those from the Pataxó indigenous ethnic group, with broadband access, 3G mobile Internet, custom applications for managing fishing businesses, as well as equipment and training, it is changing lives in this previously isolated community that has suffered from over-fishing and lack of infrastructure. The project was designed to not only increase families’ incomes, but also to teach computer literacy skills and environmentally sustainable fishing techniques.

“This helps us decide when to go out for fishing and for how long we must stay in order to assure our profits,” says Cerqueira Guerra.

The Fishing with 3G Nets project is just one example of how USAID is helping American companies with activities in Brazil to establish partnerships with the Brazilian Government and NGOs on projects to promote sustainable development in Latin America’s largest and most populous country. The idea behind the initiative, dubbed Mais Unidos, is that businesses can only prosper in a prosperous environment.

“Our company is interested in making strategic social investments that are aligned with our business focus,” says Gustavo Marin, CEO of Citi, a Mais Unidos participant.

ONE OF THE FLAGSHIP initiatives supported by Mais Unidos provides IT, English, and professional ethics training to help young public school students enter the formal labor market once they graduate. In Brazil, the youth unemployment rate is 3.2 times higher than that of adults. This means that 3.9 million people, or 17.8 percent of young people between ages 15 and 24, cannot find a job. Education and qualifications are the main limitations when competing in the formal labor market.

The Enter Jovem Plus program is implemented by the Brazilian NGO Instituto Empreender with support from USAID in Rio de Janeiro, Sergipe, Pernambuco, and Ceará states. The program relies on private-sector support from several Brazilian and American companies like Chevron, Motorola, and Microsoft. Since its creation, it has trained over 12,000 youth, placing 30 percent of them in formal jobs.

In Rio de Janeiro, Enter Jovem Plus is strengthened by Mais Oportunidades, the alliance’s program that offers 100 hours of English lessons to 1,000 at-risk youth. It was created in 2010 with the support of 24 Mais Unidos companies that contribute to a joint fund to provide financial support to the program.
In its first year, Mais Oportunidades graduated 395 students, of which 27 have some form of disability. Two-thirds of the students enrolled in the program are women. Currently, 18 schools in Rio de Janeiro are part of Mais Oportunidades, including the state school Tim Lopes, located in the Complexo do Alemão, an enormous favela, or network of slums, that has recently been pacified.

“When I heard about Mais Oportunidades, I honestly got enthusiastic right away because they said I would be better prepared for the job market, and that they would even help me find work. During the course, I realized that it was even more than that. I not only learn how to deal with job interviews, but I’m getting important life lessons as well,” says 19-year-old student Fernanda Lopo.

“Cisco believes that Mais Oportunidades is a great initiative that will prepare the next generation of young Brazilians to be producers of knowledge and content. For Cisco, this partnership with USAID makes good business sense because [it] helps prepare at-risk youth to pursue their first job in the market place. This is the virtuous cycle that will contribute to promoting economic development in Rio de Janeiro and move the country in the years to come,” says Giuseppe Marrara, director of government affairs at the computer networking giant.

Every year, Mais Unidos Group, represented by its board of directors—comprised of 11 CEOs, USAID’s mission director, and the U.S. ambassador to Brazil—conducts a survey about the social investments made by Mais Unidos companies. The latest survey was answered by 33 businesses and demonstrated how these companies invested capital, human resources, technology, and expertise in initiatives that foster education, environmental protection, and socioeconomic development in Brazil.

In 2010, the 33 companies collectively invested approximately $70 million in about 280 projects implemented in all Brazilian states. More than 10 million people have benefited from these initiatives, which have demonstrated great potential to be replicated on a large scale.

According to Marcelo Martins, co-chairman of the Mais Unidos board of directors and CEO of Cargill, Mais Unidos companies maintain a strong commitment to the development of Brazil. During 2012 and 2013, 80 percent of the companies intend to invest over $600,000 per year in corporate social responsibility initiatives. Another 10 percent say they intend to invest between $300,000 and $600,000.

“Mais Unidos Group understands that the entrepreneurial activity, combined with corporate social responsibility, contributes significantly to reduce unemployment and poverty levels, promote greater and inclusive economic opportunities, and improve social welfare,” explains Alves.

Janaina da Silva Lima, who attended Enter Jovem Plus in Recife, works as a cashier in Sam’s Club hypermarket, Pernambuco state, northeast Brazil.

To facilitate the process, USAID organizes workshops with various Mais Unidos actors to identify partnership opportunities. In November 2011, during the latest workshop, the companies presented 29 different proposals for projects focused on the environment, education, health, and food security. USAID’s environmental program team also presented its projects to the companies, especially those interested in investing in biodiversity conservation and climate change mitigation. After the workshop, 42 potential partnerships were identified, and USAID is currently working to help the companies turn these opportunities into reality.

The Agency also develops programs to be co-financed by Mais Unidos companies, in the same model as Mais Oportunidades. Interested firms contribute to a common fund, and the resources are invested in a single initiative. Recently, the board of directors unanimously approved Mais Unidos support for a project to promote biodiversity conservation in the Amazon by mapping and registering farms and fighting fires. The USAID project, Governance Environmental Frontier, is implemented in two states in the Amazon region by NGO Aliança da Terra. The Mais Unidos Group will help expand the project to directly benefit 2,500 people.

In fiscal year 2010, USAID invested $700,000 in Mais Unidos initiatives, while the companies invested nearly $3.8 million, leveraging over $5 for every dollar USAID invested.

“USAID believes that public-private partnerships are the best and most efficient way to expand socioeconomic opportunities in Brazil, as well as to promote social inclusion and sustainable development,” says Hardy.
Reconciliation  

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sometimes because we do so much standing, but the other girls all help, so I can sit down when it gets bad.”

Peering with her remaining eye from behind oval spectacles, Anandhi has a quick smile and an easy laugh, almost mischievous. She grew up in a Tamil Hindu family with a sister and two brothers, reaching eighth grade in school. Insurgents kidnapped her one day when she was on her way to temple and sent her north to Jaffna. Her family had no word of her for six months. She was 14.

“On June 4, 1998, they handed me a firearm I did not even know how to use,” she says. “We were moving through this jungle area when a firefight erupted. Shrapnel and bullets sprayed my left eye and arm.” She shows her purple scars.

Crowded into one of the last insurgent pockets near Killinochchi at the end of the conflict, Anandhi escaped with several companions through heavy fighting and reached home after 11 years away. She, too, now works in the Brandix packing unit. She was quiet at first, according to Gunasekera, but seems very outgoing these days.

“I have three Sinhalese friends on my team,” she says. “Amala is always very nice to me and I really like Yasodha—she’s so funny. We have a good time together every day. There’s lots of joking and laughing.”

Classmates together in the original ASTP training session, Kokiladevi, 23, and Anoja, 26, have been friends ever since. Kokiladevi is Tamil Hindu, while Anoja is Sinhalese Buddhist. Anoja is married with two young children but Kokiladevi lives with her parents. Both lived in fear during the conflict.

Kokiladevi faced government forces suspicious of possible insurgent presence in her Tamil village. “My whole family would flee to a nearby town when tensions got too high,” she recalls. “One time, my poor cousin took a gunshot wound to his torso.”

Having managed, remarkably, to complete her education through 12th grade, she is now one of the most skilled line workers at the Punani facility. “I have picked up Sinhala on the job here and can manage it pretty well,” she says, “and it’s nice to have Anoja as my supervisor because we’re good friends.”

Calm and dignified in a print sari, Anoja comes across as a natural leader. After gaining experience as a machine operator, she now supervises a line, from first cut to packed items. With 10 years of schooling, she has learned a great deal of Tamil from her colleagues, fluently overseeing a team of 14 Tamils. She, too, tells of childhood troubles. “My father was in the local home guard,” she says. “His hand got shot off early in the conflict.”

With government troops sometimes stationed there, her village endured attacks from Tamil insurgents.

“We were frightened to go out after dark,” she says, “so we stayed indoors—no cooking. We would all run into the forest when the shooting started. Sometimes the whole village would huddle down in the school with its concrete walls.”

These days, she takes most lunches with her mainly Tamil team and expects to keep working indefinitely. “My team meets its targets,” she says.

ASTP has been a pioneer story in several respects. Its smooth operation has become a model for other garment firms into the region. USAID has used its example in forging nine subsequent Eastern province public-private alliances, some in the garment trade, others in value-added food production.

According to Mission Director Jim Bednar, the Sri Lanka alliances are especially noteworthy for emphasizing domestic firms as partners. “These firms are committed to multi-ethnic employment,” he says, “seeking reconciliation through a new experience: on-the-job cooperation.”

Brandix and USAID have recently begun discussing a further venture, targeting ex-combatants, the internally displaced, and the disabled for jobs in Batticaloa, the lead provincial town. Says De Silva: “Success would represent a novel bridge between economic and humanitarian agendas, while expanding USAID’s efforts to link opportunity with reconciliation in eastern Sri Lanka.”

*Names of workers have been changed for privacy reasons.*
Afghanistan Rural Finance Co. and the Overseas Private Investment Corp. Doost is president of the Afghanistan Marble Industry Association, which organized and executed the third annual marble conference in Herat. His company purchased all of their equipment from Gespari Menotti, an Italian company, whose engineers have been heavily involved in installation, training, and overall mentoring for Doost's operations.

When USAID began supporting the mining sector and working with Doost's company, there were only a few quarries using diamond wire cutting. Following a number of international trade shows, marble conferences, and technical workshops supported by USAID, most quarries in Herat province have now converted from the traditional blasting techniques to diamond wire-cutting technology.

An estimated 4,000 new jobs in marble processing alone are expected over the next five years as the mining industry develops throughout Herat province. Employment in remote areas will rise as on-site safety improves with the decrease in blasting and more sophisticated extraction techniques. This change will likely result in more skilled jobs at both the quarry and the processing plant.

Despite the many challenges, Doost seems confident the Afghan marble industry will continue to grow, and says he already has seen mining activities benefit the western provinces.

“When I opened my quarry six years ago, there were only two local processing plants,” he said. “Now there are over 30 companies, employing people from the local communities.”

Following USAID support to mining extraction operations in Chesht-e-Sharif and Nangarhar, USAID began working with additional partners in the processing stage to develop a sustainable mining sector in Afghanistan. The Chesht Marble Processing Plant, also owned by the Doost brothers, purchases all its marble for processing from the Equity Capital Mining quarry. Starting in 2009, USAID and other donors supported this private company to establish a processing plant capable of producing export-grade marble, allowing them to supply high-quality products to top-tier markets willing to pay a premium price.

The Chesht Marble Processing Plant, recently renamed the Doost Marble Factory, has become a model for other processors, and represents a major step forward for the marble sector. Not only has it improved the reputation of Afghan marble on the foreign market, but it also has directly created 50 new full-time jobs and continues to encourage further foreign investment in the mining sector.

Jim Hogan, vice president of Carrara Marble of America, praised the advances of the Afghan marble sector during the past three years and the international demand that has been created. “Afghanistan is in a very positive position if they can start filling the gap between orders and production,” he said.

As the private sector continues to invest in knowledge and equipment to improve quarrying and processing activities, Afghanistan is set to follow the example of other marble-producing countries and become a provider of high-quality, value-added marble products to the world market. Governor Daud Shah Saba of Herat province commended USAID’s role in assisting the mining sector, and expressed hope “the international community continues their commitment in helping to expand the marble sector in Herat. Support for the quarries and local communities will make Herat an important world supplier of Chesht marble.”

The project is garnering praise from the highest echelons of Afghan government as an important driver of growth in a country whose economy has been decimated by decades of conflict.

“The achievements accomplished by the Ministry of Mines over the past year have increased the international importance of the marble sector in Afghanistan,” said Minister of Mines Waheedullah Shahrani at last year’s annual Herat Marble Conference, which was supported by USAID. “Focus should remain on this part of mining because of the shorter timeframe to create jobs and income compared to the other natural resources in Afghanistan. It has been estimated that over $200 billion worth of marble resources are available for development.”

This article was written by staff from USAID’s mission in Afghanistan.
Development in Kazakhstan

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involved in transportation, warehousing, and logistics. “But step by step we have improved our cooperation and strengthened our ties.”

Segal’s recent involvement with USAID was part of the Regional Trade Liberalization and Customs project, another PED-funded activity, which has sought to increase trade within Central Asia and beyond, and to help eliminate the barriers to trade.

“I believe that, because of USAID, government agencies are starting to understand what is needed—joint working groups were organized with the railroad and Customs Committee. First, we started to hear each other. Second, we started to work with each other. And, third, we got an opportunity to learn from foreign expertise,” said Segal.

THIS TRANSFORMATION from aid recipient to partner sums up the evolving USAID-Kazakhstan relationship. In this new stage of PED, the Government of Kazakhstan has identified priority areas, which have been developed into new activities. These new activities build on past successes and address more sophisticated economic development issues in Kazakhstan, such as public-private partnerships where private capital is invested in public-sector infrastructure, supervision of financial conglomerates, and electronic commerce.

“It’s really a relationship that’s based on partnership. The same model has been picked up in Azerbaijan. And now the Kazakhs are trying to form their own development agency based on a USAID-inspired model that will be called KazAid,” said Benjamin Chapman, USAID liaison in Astana. “The idea is that Kazakhstan will take a development role in the region, extending south to Afghanistan. There is already a Kazakh Chamber of Commerce in Kabul.”

As Kazakhstan assumes a greater leadership role as the stable core of Central Asia and a positive example for its South and Central Asia neighbors, the partnership with USAID is expected to serve as a model for development efforts in the region.

Armenian Eyes

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years: ‘We will try to save your daughter’s eyes. There is a special artificial retina prosthesis, which we will implant.’ We were very lucky on that day.”

Sixteen-year-old Ani now has 30-percent vision in both eyes, attends school to learn to read and write, and has discovered a passion for her new hobby—sewing.

The project not only brought American doctors to Armenia, but provided medical education and training for Armenian physicians in the United States. These doctors returned to Armenia and became heads of departments and conducted training for other doctors in country.

According to Dr. Hovakimyan, Ani’s physician and a doctor at the Malayan Ophthalmic Center: “The major success was the combined hard work performed by the [Malayan Ophthalmic Center] medical staff in restoring the [patient’s] eyesight. It is very noteworthy that all doctors were AECP fellows trained in the United States. This is really a great investment and contribution from AECP.”

AECP organized intensive professional re-training of 61 regional ophthalmologists, as well as training in the basics of ophthalmology for 57 family medicine doctors and 773 nurses. More than 1,600 primary health-care providers in Yerevan and the regions have been trained, which enabled practitioners to diagnose sight problems at an earlier stage, thereby preventing longer-term vision issues.

“The best thing we’ve gained from this project is confidence,”
said Dr. Alex Malayan, director of the Malayan Ophthalmology Center. In the past, difficult patients would be sent to Moscow; now patients come from Moscow, as well as neighboring countries, to get eye care in Yerevan, he said. “There is no other program like this in Armenia,” he added.

Overall the project cost $10 million with the USAID share at $1.5 million, leveraging $6 of funding from partners for every dollar put in by USAID.

In addition to improving eye health and training medical professionals, the project has helped increase the capacity of Armenia’s Ministry of Health. It also led to the creation of a database and analysis of ophthalmological-disease information in Armenia, which had not previously existed.

Additionally, the partnership exemplified the significance of Armenian diaspora engagement, said AECP founder Dr. Ohanesian. “Why do we continue to go back to a country where there is a lot of work, a lot of effort, a lot of bureaucracy?” he asked, and then answered.

“I remember one child was brought in. He had penetrating injuries into both eyes. Both eyes became infected. Both eyes had to be removed. It had happened six months before. I looked at him and I said, ‘What can I do? He has already had both eyes removed. But he is crying—is he still in pain?’ And his parents are crying too, and the interpreter talked to them and he turned to me and said, ‘No, they thought you brought new eyes from America.’”

“That level of trust in what America can do—and what the diaspora can do—is what keeps us all going,” Dr. Ohanesian said.

The ending was happier for infant Hakob Raganyan. The ad-hoc laser treatment lasted until 3 a.m., when the AECP doctors and their Armenian colleagues completed their job. The surgery was a success and his mother is full of confidence that everything will be alright for her only child.
USAID’s work in Latin America and the Caribbean has changed dramatically since I served at the Agency in the late 1990s. Then, the Agency was largely focused on helping consolidate the region’s new democracies, reducing poverty, and curbing population growth. The Colombia mission was on the verge of closing, USAID’s presence in Mexico was minor, and the Food for Peace program ranked among the biggest budget items. A dozen years later, following a period of strong economic growth, dramatic declines in poverty, and deepening democracy, our approach has shifted.

Outside of Haiti, we are reducing our investment in health and bringing family planning programs to a close. Food for Peace programs are being replaced by efforts to promote agricultural production. And with a focus on the threat that crime and drug trafficking pose to economic growth and the consolidation of democracy in the region, the bulk of our resources are destined for those countries on the frontlines of the effort to reduce violence—from the producer countries of Colombia and Peru, to the transit countries and regions of Mexico, Central America, and the Caribbean.

Viewed through a traditional development lens, some of these countries—namely Colombia and Mexico—would not qualify as USAID aid recipients. But given the need to help Colombia consolidate its security gains and help Mexico fend off organized crime, the former continues to be the second largest aid recipient in the Latin America and the Caribbean region, behind Haiti, and the latter is about to rank third.

Our concern about security is also driven by the United States’ national security interests. In an increasingly globalized world, organized crime penetrates borders. The coca grown in Colombia and transported as cocaine through the Caribbean, Central America, and Mexico harms our citizens and saps strength and resources from our communities. USAID programs are an integral part of President Barack Obama’s National Drug Control Strategy and its goal to significantly reduce drug use and its impact in the United States by 2015.

But there is also a crucial development dimension to our approach. To achieve the main objectives of the Presidential Policy on Development—to help countries grow their economies and improve democratic governance—the region’s security must improve. With the highest murder rates in the world, crime is a leading threat to many of the region’s democracies. And as the landmark analysis in El Salvador produced by a joint U.S.-Salvadoran team of economists revealed, crime is the leading constraint to growth there.

While USAID is continuing our longstanding work to strengthen the capacity of judicial systems to fairly and effectively provide justice; the heart of our security work in many countries now involves supporting preventive anti-crime measures, namely providing youth vulnerable to the lure of crime with positive and productive alternatives. Through the
U.S. Government’s signature security initiatives—Merida (in Mexico), the Central American Regional Security Initiative, and the Caribbean Basin Security Initiative—we are creating safe urban spaces, providing job training, and engaging in concerted efforts to keep children in school.

As we have concentrated our efforts in fewer countries and sectors, we have had to reduce our engagement elsewhere. In recognition of the gains that Panama has made since we reopened our office there in 1990, we will close that mission in September. And in a cost-saving measure, we are closing the Guyana mission and shifting our programs to the Eastern Caribbean office based in Barbados.

We are also reducing our work in some sectors, such as family planning and election administration, as governments increasingly demonstrate their ability to finance and effectively administer programs once led by USAID. As President Obama has said, “the purpose of development is to create the conditions where our assistance is no longer needed.”

As we leave countries and sectors, we are expanding the universe of donors by building on our existing trilateral arrangements with Brazil and Chile and creating new ones. And to supplement our assistance and ultimately make our efforts sustainable, we are increasing our partnerships with businesses, especially in the areas of youth work-force development, agricultural development, and climate-change adaptation.

Achieving that sustainability requires strengthening countries’ capacity to operate effective institutions, grow their economies, and keep their people safe. One of the main ways that USAID is meeting this goal is by channeling more of our assistance through host-country government systems, NGOs, and other private entities.

The concern over security has by no means obscured the importance of our other development goals, such as enhancing food security and reducing malnutrition, protecting the environment, and reducing the impact of global climate change as well as maintaining our unique role in strengthening democracy and governance.

In fact, our work in these areas reinforces our crime-prevention investments. For example, through the Obama administration’s global food security initiative—Feed the Future—small-scale farmers in Guatemala and Honduras are getting help to improve crop yields and link up with international buyers. As their incomes increase, so does the economic resilience of their communities.

Finally, all these challenges come together in Haiti, which today commands the lion’s share of our bureau’s resources. Although reconstruction is a long-term proposition, Haiti is already building back better. The economy is getting a much-needed boost from the revitalization of the agricultural sector, and a much-needed influx of international private investment, including a new industrial park set to open on the country’s north coast in March.

These positive advances are possible because of the concerted efforts of the Haitian Government and its international partners to place Haiti on a solid footing following the 2010 earthquake. Together, we cleared more than half the rubble from the streets, helped hundreds of thousands of displaced persons return home, and got a potentially crippling cholera outbreak under control.

In Haiti, as elsewhere in the hemisphere, our interaction with Latin America and the Caribbean is shaped as much by geographic proximity and strong historical ties as it is by traditional development measures. Perhaps in no other region in the world do our development goals dovetail so closely with U.S. diplomatic objectives and national security interests. A more peaceful, prosperous, and democratic hemisphere is unquestionably in our national interest. And USAID will continue to have an important role to play in making that a reality.
IN THE United States, going to an ATM or stopping at a red light is common practice; in countries like El Salvador, it can put your life in danger. Due to widespread violence and gang activity, Salvadorans are constantly looking over their shoulder. Imagine what it is like to start and grow a business in this tense, volatile environment.

Insecurity and low productivity are the main causes of anemic growth of the Salvadoran economy, according to a joint analysis undertaken by both governments. From 2000 to 2009, El Salvador averaged just 2.1 percent annual economic growth, with GDP receding by 3.1 percent in 2009 due to the financial crisis. The rates of growth over the last decade are below the Latin American average.

Even so, Salvadorans have a well-deserved reputation for being hard-working and industrious—skills the country needs to increase growth and prosperity. To achieve this, however, conditions must be right for job creation and people must feel safe.

The U.S. Government is changing its way of doing business in El Salvador through a new effort being piloted there and in a select group of countries. The Partnership for Growth (PfG), or Asocio para el Crecimiento, announced by President Barack Obama and Salvadoran President Mauricio Funes in March 2011 seeks to answer this question: What prevents a country from reaching higher growth rates? Ghana, the Philippines, and Tanzania are also part of the first group of Partnership for Growth pioneers.

“The Partnership for Growth embodies a key administration policy of seeking to elevate broad-based economic growth as a top priority of our development assistance, ensuring that our investments and policies are guided by rigorous assessments of how countries can achieve higher levels of growth,” says Mark Feierstein, assistant administrator for the Bureau for Latin America and the Caribbean.

EXPERTS FROM the U.S. and Salvadoran Governments worked side-by-side to identify the bottlenecks that keep El Salvador from achieving its maximum economic potential. They identified two primary constraints to growth: crime and low productivity in imported and exported goods.

Crime and insecurity are important issues for Salvadorans. All of the countries of Central America, except for Costa Rica, have homicide levels that are defined as “epidemic” by the Pan-American Health Organization. According to the analysis, the total annual cost of violence in El Salvador, estimated at 10.8 percent of GDP, exceeds the costs in all other Central American countries.

There are other unquantifiable costs: the emotional and psychological toll resulting from the murder of loved ones, the almost pervasive fear of being a victim of crime, the erosion of social capital, and the effect on opportunities and decision-making for the citizens of El Salvador.

The U.S.-El Salvador Partnership for Growth initiative is formally launched at a November 2011 signing ceremony at the presidential palace in San Salvador. Pictured, left to right: Hugo Martínez, El Salvador minister of foreign relations; Alexander Segovia, Salvadoran presidential technical secretary; Mauricio Funes, president of El Salvador; and Jose Fernandez, U.S. assistant secretary of state for economic and business affairs.

Photo by Salvadoran Government
“Organized crime and drug trafficking are our common enemy; neither the people of El Salvador nor the United States can achieve prosperity when confronted by violence and impunity. Our Partnership for Growth makes countering crime and insecurity a top priority for both countries,” said Julissa Reynoso, the State Department’s deputy assistant secretary for Central America and the Caribbean.

Another key constraint is the country’s limited ability to compete in international markets. El Salvador’s share of tradable goods as a percent of GDP has declined from 45 percent to 40 percent since 1990, and has consistently been below the average for middle-income countries.

“El Salvador’s economic growth can be increased by enacting sound policies that enhance the ability of Salvadoran businesses to compete in the global economy,” said James Parks, deputy vice president for policy and evaluation at the Millennium Challenge Corporation. “A more competitive El Salvador can create new jobs on the basis of a stronger private sector and more foreign investment. The key goal of the partnership is to help unlock the country’s full economic potential.”

The culmination of these analyses was a five-year joint country action plan, released on both governments’ websites in November 2011, listing activities to address these barriers: a set of near-term policy improvements aimed to boost investment and economic growth.

OVER THE PAST year, USAID held a vital role in the process as it coordinated closely with 15 U.S. Government agencies, among them the Department of State, the Millennium Challenge Corporation, and the Department of Commerce.

“This exercise allowed USAID, along with our sister agencies, to truly ask ourselves ‘how can we be most effective and efficient?’” said Walter M. Bastian, deputy assistant secretary for the Western Hemisphere in the Department of Commerce’s International Trade Administration. “To this end, the PfG offers a new vision for our development policy in which we looked at the full spectrum of development and economic issues and worked with all elements of government, private sector, and civil society to target the underlying causes,” he added.

All parties involved agree that the Partnership for Growth’s success will largely depend on a number of factors, including the full engagement of the private sector, other donors, and civil society. A diverse collection of stakeholders will need to work together to develop clear policies that support and drive innovation, spur economic growth, and increase transparency in this five-year plan.

Days after signing the country action plan, Funes created a new Growth Council, bringing together El Salvador’s top business leaders with senior government officials to discuss ways to create business confidence and encourage private investment. Only a few days later, Commerce Department employees from the United States began planning a visit to El Salvador to provide the technical assistance needed to support the newly created council.

Ultimately, the PfG intends to reduce crime levels and help businesses flourish. Today, 17 percent of El Salvador’s GDP comes to the country in the form of remittances—resources sent back to family members by Salvadorans who left the country for better opportunities elsewhere.

At the PfG launch ceremony last March, Obama hit upon the initiative’s central premise when he argued: “The United States and El Salvador share a strong commitment to democracy, rule of law, and inclusive economic development. Our ties are further enriched by the 2.3 million Salvadorans who call the United States home. El Salvador is a key partner in our efforts to dampen the threats posed by transnational criminal organizations and gangs. Through our Partnership for Growth, we are committed to working closely to boost economic prosperity and create a safer, more prosperous, and more democratic future for all our citizens.”
Beyond Port-au-Prince

The United States and Haitian Governments aim to develop areas outside the country’s overcrowded capital, catalyzing growth in the north.
GROUP CROWDS around an instructor for an urban gardening lesson in this northern city in Haiti. They laugh as the man perches a plastic bucket on his head and demonstrates how to use drip irrigation technology to grow tomatoes.

Workshop participant Manola Lamy was excited to try growing vegetables on her roof, but also enjoyed the camaraderie. “Before, I hadn’t experienced a union among Haitians,” she said. “Through the workshop, I experienced a union among others trying to make a better life here.”

Students are expected to share their knowledge, and instructors empowered them to take charge of their own food security. Such sustainability is the aim of USAID’s work in Haiti.

“Cap-Haïtien is one of the most important cities in the Government of Haiti’s plan to increase access to services outside of the overcrowded capital,” said USAID/Haiti Mission Director Carleene H. Dei. After the catastrophic January 2010 earthquake, about 100,000 displaced Haitians sought refuge around Cap-Haïtien. The city is now one of three geographic corridors that the U.S. Government is targeting to catalyze economic growth outside of the overcrowded capital of Port-au-Prince.

Consistent with the Government of Haiti’s action plan, the United States is focusing its investments in infrastructure and energy; economic and food security; health and other basic services; and governance, rule of law, and security.

USAID’s dozens of wide-ranging projects in the north, most implemented by the Agency’s Office of Transition Initiatives, include supporting an NGO that develops nutritional peanut butter to fight malnutrition; rehabilitating roads and the Sans Souci Palace, a
World Heritage site; assisting families who host those displaced by the quake; leading human rights trainings with community-based organizations; and rehabilitating community centers and health clinics.

In an ambitious project announced by former President Bill Clinton, the United States is also collaborating with the Inter-American Development Bank and the Government of Haiti to develop the 617-acre Caracol Industrial Park in the North—future home to the Korean textile giant Sae-A’s new garment-making operation. The park has the potential to support 65,000 permanent jobs in a country that has an estimated 40 percent unemployment rate.

USAID is funding the construction of an associated power plant, which will supply electricity to the park and surrounding communities. The Agency is also supporting housing for 5,000 households (25,000 beneficiaries) close to the park as well as infrastructure improvements in neighboring communities and Haitian cooperatives to jump-start training for industrial sewing.

The park, which is expected to open this year, is viewed by many as a potential panacea to some of the country’s economic woes. Montoban Abdonel, the deputy mayor of nearby Limonade, said everyone has tremendous hope because of the park. “As an underdeveloped country, we need jobs,” said Abdonel, a participant in a
USAID-supported leadership training course for local officials and leaders to help them develop skills in communications and collaboration.

The World Bank has reported that the majority of businesses in Haiti operate in the informal sector, employing about 80 percent of the total workforce. The Haitian economy continues to be primarily driven by these informal micro-, small-, and medium-sized enterprises, which generate up to 90 percent of new jobs.

Therefore, in addition to working closely with local officials, programs also target small business owners like Arnoise Clerveaux. While Clerveaux has operated her business for 10 years, she didn’t know how to properly keep track of her sales. Through microenterprise training, she learned how to make a return on her investments. “I learned about pricing things so I can make a profit,” she said, from her a toolshed-sized business, surrounded by her wares: vegetable oil, juice, diapers, clothes, and pasta. “I now have accounting practices I’d never learned before.”

Up the road in a bustling open market, Nanot Jacques sells fresh onions and garlic seven days a week. While public toilets previously overflowed into the market, another USAID project worked with market vendors to improve sanitation and design a compost removal plan. “They’re doing something very good and beautiful because they’re making it more sanitary,” Jacques said.

Area farmers have significantly improved their livelihoods thanks to USAID projects. Following training, more than 5,000 cacao growers increased their incomes by at least 25 percent; and a new dairy processing center built by USAID allows farmers to process more milk, increasing output by over 50 percent.

“It’s a great thing for us because it’s a guaranteed point of sale,” said Raynold Jean, who sells milk to help send his eight children to school. “This gives us the ability to have a decent life.”
Fighting Crime Through Prevention

By Paloma Adams-Allen

With security a growing problem in Latin America and the Caribbean, USAID crime-prevention efforts strive to support more peaceful and productive communities.

In March 2010 in Santiago, Chile, President Barack Obama observed that “…we’ll never break the grip of the cartels and the gangs unless we also address the social and economic forces that fuel criminality. We need to reach at-risk youth before they turn to drugs and crime.”

His comments came at a time when areas of Mexico, Central America, and the Caribbean were suffering from the highest rates of non-political violence in the world. According to the latest reports, the situation has worsened. In some countries, murder rates are nearly 10 times higher than in the United States.

To help the region’s governments tackle this problem, the Obama administration is deepening President George W. Bush’s Merida Initiative to combat crime in Mexico and Central America through the Central America Regional Security Initiative (CARSII) and expanding the effort into the Caribbean with the Caribbean Basin Security Initiative (CBSI).

While national governments and other parts of the U.S. Government are focused on reining in the criminals,
the core of USAID’s citizen-security work is addressing the very issue raised by Obama—preventing new ones from being created.

BECAUSE YOUTH are both the main victims of violence in the region, and also the main perpetrators of crime, the Agency is helping create safe community spaces to keep them out of its cross-hairs, while also supporting community policing programs that are helping to build trust between citizens and law enforcement.

USAID collaborates with businesses to better prepare young people to become productive citizens by providing expanded educational opportunities, in-demand job skills, mentoring, and internships.

And to build a culture of peace in the region, USAID supports youth-led anti-violence efforts across Central America and trains youth in conflict-resolution techniques in remote and violent communities along the Colombian-Ecuadorian border.

Because violence and insecurity flourish in environments where corruption is rampant and impunity emboldens criminals and disenfranchises citizens, the Agency is also continuing its long-standing work to strengthen the institutions charged with ensuring that justice is served, human rights are respected, and citizens feel secure.

Improving Latin America and the Caribbean’s security situation must be the job of the region’s people, governments, and civil society with support from the international community. Together, change can be accomplished.

U.S. Supreme Court Justice Sonia Sotomayor, right, and U.S. Ambassador to El Salvador Mari Carmen Aponte speak with students in an after-school program at the San Andrés ¡Supérate! Center. USAID is working with the private sector to improve social and economic conditions in El Salvador.

A Model for Community Policing in Jamaica

By Elizabeth Brennan Dorn

When Kingston’s murder rate soared in the early 2000s, the Grants Pen community gained the dubious distinction of being Jamaica’s most dangerous district. This marginalized inner-city zone was wracked by gang violence, further exacerbated by tense relationships between residents and police. In response to a call for help from the Jamaican Government, USAID began working in 2002 directly with the country’s police force to help improve relationships with the community. Through joint police and resident trainings, public awareness campaigns, and police bike patrols, residents and law enforcement authorities joined forces to take Grants Pen back from criminals.

The public welcomed the program. “The program is a godsend. What USAID has done is to give us an avenue to help heal the community and to help our children,” said the Rev. Ian Muirhead, a community member.

The lessons taken from the Grants Pen experience have shaped the way USAID approaches community policing for crime and violence prevention today. “We now emphasize that to work well, police forces must instill a community-oriented policing philosophy force-wide rather than establishing specialized community-based policing units. And the police and communities should coordinate closely to integrate policing efforts into broader community development efforts,” said Denise Herbol, USAID/Jamaica’s mission director.

This new model is being implemented in 13 other high-crime communities through the USAID-JCF Community Empowerment and Transformation (COMET) Project. Several other Caribbean governments are considering adopting it in their countries and even the international donor community is taking notice: The World Bank recently selected the project as a best practice in community-based policing and will use it as a model in English-speaking Caribbean and African nations.
Central American Youth Rise up Against Violence

By Enrique Roig and Alexandra Pratt

In 2009, President Barack Obama encouraged U.S. students with words that have rung true for Central America’s up-and-coming youth movement: “[E]ven when you’re struggling, even when you’re discouraged, and you feel like other people have given up on you, don’t ever give up on yourself, because when you give up on yourself, you give up on your country.”

In El Salvador, Guatemala, and Honduras, three of the most violent countries on the planet, a growing number of youth are heeding Obama’s words. Rising above the grim crime statistics, youth in these three countries are leading an advocacy campaign calling on their governments and fellow citizens to help them reclaim their communities from the violence that is robbing them of a better future.

Through USAID’s Regional Youth Alliance Program, these young people created and are now leading national youth movements to galvanize youth and society at large to prevent violence. They do so through dialogues with youth from all walks of life; partnerships with businesses to organize youth job fairs; public awareness campaigns about the need for effective prevention; and consultations with the highest levels of government.

“These movements are a great example of our new USAID Youth in Development policy in practice,” said Mark Feierstein, USAID/LAC assistant administrator. “Their activism and leadership demonstrate that the young people of Central America refuse to give up on themselves or their countries.”

Addressing the Honduran National Congress in November 2011, one of the coordinators of the movement’s Honduran segment, Alejandra Hernandez, declared: “We are here representing 60 percent of the population in Honduras who are younger than 30 years. We are here to say that we are tired of being just observers of the violence in our country, now we want to be actors in the construction of solutions that allow us a safer Honduras.”

The region’s governments have welcomed their enthusiasm. As Juan Orlando Hernández, president of the Honduran National Congress, told leaders of the movement in November, “You give us hope in tough times. What you do is to be applauded…you are heroes.”

Today, because of the commitment and dedication of youth like Alejandra, a campaign that began as a small USAID program in Guatemala in 2009 has grown into a full-fledged movement, which culminated in the Dec. 12, 2011, union of the three national movements to form the Central American Youth Movement for the Prevention of Violence.

They are hopeful that with a strong regional presence, they will be able to do even more to mobilize support for the cause of crime prevention and peaceful youth engagement across crime-ridden Central America.

1. Former gang members pose at the end of a ceremony in Guatemala City, vowing to change a violent chapter in their lives by accepting formal jobs as part of a USAID-backed project. Photo by Eitan Abramovich, AFP

2. Policemen patrol the central market in Guatemala City. In Guatemala, one of the world’s most violent countries, a small USAID-backed youth program sprouted into a regional movement against violence. Photo by Yuri Cortez, AFP
Until recently, many considered the U.S.-Mexican border to be one of the most prosperous and safe regions of Mexico. Today, cities like Ciudad Juarez, which borders El Paso, Texas, are experiencing economic downturn as maquiladoras, or export assembly plants, lay off workers, and a booming drug trade and general deterioration of the rule of law are decimating the social fabric of the city and surrounding communities.

Mexico’s vulnerable groups continue to feel the brunt of this decline. Unspeakable violence against women claimed the lives of hundreds of young women during the last decade. Drug-fueled violence continues to wrack the city, the most emblematic being the murder of 15 innocent young people in the Villas de Salvácar neighborhood in early 2010. Today, at least 25 percent of Juarez’s homes have been abandoned as citizens flee the violence.

Residents like Patricia Galaga of the USAID-supported Paso del Norte Human Rights Center are working to restore the social fabric of the community, increase the security of citizens, and revitalize an industrial hub that is so important to people on both sides of the border.

“I am Juaranese. I am from Juarez. I feel like I am responsible for the reconstruction of the city. I definitely want us to rise up. It doesn’t matter what it takes, we are going to rise from the ashes. I am sure of that,” declared Gabina Burciaga of the group Human Growth and Education for Peace, in Juarez.

There are other reasons to be hopeful. Ciudad Juarez is the focal point of significant strategic investment by the Mexican Government, and also receives support through the U.S. Government’s Merida Initiative. For instance, USAID’s small grants program provides training and funding to community organizations that protect, provide for and advocate for vulnerable women, children and youth.

These and other community organizations have embraced USAID’s programs. Says Laurencio Barraza from the Independent Popular Organization: “With USAID’s support, we are starting to create places where people can gather in order to restore the social fabric, regain our streets, and from that point start building peace. We need to construct a safe path where every individual is important: men and women, boys and girls.”

There is some evidence that targeted government and donor attention, coupled with active participation by civil society, may already be having a positive effect. According to official figures, the number of homicides in the city in 2011 dropped by roughly 40 percent compared to the previous year.
When police arrested Juan Pablo* recently for illegal possession of firearms, it seemed as if he would become yet another one of the many thousands of teenagers who rotate in and out of Mexican prisons.

The 16-year-old from the state of Morelos had fallen into bad company, was abusing drugs, and didn’t appear interested in changing his ways. “He was negative about everything,” said his mother, Lorenza.

But Juan was lucky. Thanks to the Pre-Trial Services Unit for Juveniles (UMECA), set up by the Government of Morelos with technical assistance from USAID and the Open Society Institute, he is receiving support and life counseling that has prevented him from becoming yet another statistic in Mexico’s battle against organized crime.

“This was a kid who needed help,” said Maria Lucia Perez, the supervisor assigned through the UMECA to oversee Juan Pablo’s recovery. “It’s immensely satisfying to know that an institution like the UMECA can help find lasting solutions for young people with problems.”

Since it first opened in February 2011, UMECA has helped many troubled teenagers. Offering the first services of this kind in Latin America, UMECA gives young people in trouble with the law the chance to receive counseling from trained supervisors and study or work outside of jail as they await processing or eventual trial. It didn’t used to be that way. Before the program, youth in Morelos, as in the rest of Mexico, had no option but to serve jail time as they awaited trial. For most, that almost inevitably meant spending months in dangerous and degrading prisons with hardened criminals where they were more likely to learn new criminal skills than to be rehabilitated.

Early results from the program have been encouraging—so much so that the program is now being replicated in Baja California and is expanding to the much larger adult criminal justice system in Morales. Officials in Morelos report that teenagers now willingly seek out supervisors for guidance, who in turn eagerly extend a hand even when they are no longer required to do so by law. That’s what happened in Juan’s case. Despite having gone through the program, he continued to battle drug addiction and feared being arrested again. But, thanks to the trust he had built up with his counselor, Perez, he was able to turn to her for help.

“He confessed that he was an addict and desperately needed help,” she recalls. Together, they enrolled him in another USAID-supported program for at-risk youth, Libertando para vivir, where he is currently receiving therapy, learning to live within the law, and working to build a future.

*Name has been changed to protect the identity of the under-age suspect.
As a result of Colombia’s internal violence and humanitarian crisis, Ecuador’s northern border has homicide rates that are twice as high as the rest of the country. The compounded problems of poverty, unemployment, and exclusion, especially of youth, women, and indigenous people, make for an alarming picture of vulnerability.

Today, two USAID-supported conflict-mitigation programs in Ecuador’s northern border, implemented with Fundación Futuro Latinoamericano and Samaritan’s Purse, are teaching thousands of young people practical techniques to resolve their disputes in a peaceful manner. One of these programs is also providing savings and credit opportunities so youth are not pressured into illicit economic activities.

USAID’s work with youth in Ecuador is changing the way students act and interact. In the province of Esmeraldas, school officials comment that they have seen a reduction in student fighting and that issues that previously led to violence have been resolved through peaceful methods.

As 17-year-old Rostia Esterilla said: “Before the conflict resolution program, I was just a student. Now I also have the responsibility of coordinating activities with the USAID conflict-resolution program and our school Peace Committee. The training we received has improved relationships between students, teachers, parents, and community, the sectors that generate many conflicts. With this experience, I will continue promoting the message of true peace and friendship within and outside the school.”

The training has not only helped youth resolve conflicts, but has also had multiplier effects on communities. Wladimir Caiza, a 24-year-old from Sucumbíos province who received train-the-trainer conflict prevention sessions, said: “I have learned how to control my impulses and deal with conflicts in a peaceful manner. It has also been very rewarding to teach the community, my friends, and my family that there are other ways to deal with conflicts. I have taken a very important step in my life—from fighting for survival to helping achieve a peaceful society.”

“USAID has changed the lives of these two youngsters by promoting cooperative, intercultural attitudes, establishing centers for reconciliation and peace promotion, encouraging participation by youth in peace-building activities, and providing economic opportunities,” said Sergio Guzman of USAID/Ecuador’s Office of Democracy, Governance and Conflict Prevention.
THAT ORDINARY bag of potato chips you’re eyeing may be anything but. If it’s made from potatoes grown in northern Ecuador, it represents sustainable economic opportunities for small farmers, thanks to a partnership between USAID and snack giant PepsiCo/Frito-Lay.

In Carchi—a mountainous region, home to isolated communities that live precariously close to the poverty line—former subsistence farmers will take potato crops to newly constructed quality-assurance laboratories and bulk storage centers, where they will be prepared for international markets. In this part of the world, jobs generated by global demand are more than just income: They’re a foothold for entry into the formal economy and a bulwark against the narcotics trade encroaching on Ecuador’s northern regions of Carchi and neighboring Esmeraldas.

By Jennifer Hebets and Leah Quin

Alternatives to Drug Trade
Aim to Empower Northern Ecuadorans
These provinces’ shared border with Colombia make them vulnerable to several woes: Besides drug trafficking, the region suffers incursions from the FARC terrorist organization, as well as a flow of refugees from Colombia. Crime is on the rise, security is weakening, and, because of limited job opportunities, the drug trade can be an attractive source of employment.

Enter USAID’s Productive Network program (PNII), which has created public-private partnerships to foster two crucial elements proven effective against the drug trade: a strong state presence and a vibrant formal economy.

Alliances with provincial governments and public-private regional development agencies are generating outside investments in three locally grown crops—potatoes, canola, and cocoa—to bolster state presence and increase incomes. Private “anchor” firms are pivotal to this success, as they help farmers gain market access and access to finance while transferring technology, management strategies, and other skills.

CARCHI IS ECUADOR’S leading producer of potatoes, but its porous border with Colombia, as well as the weaknesses in the value chain—constant price fluctuations, scarce agricultural credit, shifting product quality standards, weak integration of the various players—hampered the sector. Past initiatives to improve potato production and quality had limited success because they focused only on one aspect of the value chain.

To draw outside investors to this region, PNII designed a public-private alliance with the Carchi Provincial Government, the regional development agency (ADECARCHI), and two of the largest agribusiness firms in Ecuador. Each firm devised co-investment strategies to help farmers improve production technologies and post-harvest handling, and to secure steady, high-paying buyers for the products.

CARCHI IS ECUADOR’S leading producer of potatoes, USAID and snack giant PepsiCo/Frito-Lay are partnering in the region.

The USAID Productive Network program took an innovative approach by convening public and private sectors to work on several aspects of the value chain at once, including providing credit for inputs, formalizing direct relationships between farmers and buyers, ensuring quality production, and reducing farmers’ transportation costs for producers. As the end buyer and co-investor, PepsiCo/Frito-Lay plays a crucial role: While PNII delivers technical assistance, Frito-Lay provides feedback and hands-on support to ensure production meets its standards—thus increasing farmers’ understanding of the market.

“The benefit of this project for small producers is huge because they can sell their product directly, without any intermediary, to the anchor firm PepsiCo,” said José María Guerrón Reascos, ADECARCHI’s extension agent. “Before, only large producers could sell to the buyer directly.”

With support from the Carchi development agency, farmers can now access financing tools that reduce the costs of buying bulk materials by at least 10 percent. Frito-Lay is investing in a bulking center and potato-quality laboratory in Carchi so farmers can improve product quality and reduce transportation costs by half. In 2012, this deal is expected to generate more than $330,000 in potato sales to Frito-Lay as well as the equivalent of at least 32 full-time jobs.

“Personally, I believe this alliance will generate many benefits for PepsiCo operations in Ecuador, and will probably serve as a model for other international operations,” said Rodrigo Quevedo of PepsiCo Alimentos Ecuador.

DEMAND IS SURGING for high-priced canola, a new crop for Ecuador. Through an alliance with PNII and ADECARCHI, large agribusiness buyer Canola Andina has committed to purchasing canola from smallholder farmers in Carchi—launching a new product line for the region, promoting environmentally responsible agricultural practices, and increasing employment. After

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Latin America Reads a New Chapter

By Michael Lisman

FOR elementary school students in many Latin American and Caribbean countries, classroom instruction used to involve a heavy course load of copying from the blackboard and learning by rote.

The goal of writing was la buena letra, or good penmanship, not comprehension. That’s all most teachers expected of their young charges. And that is how many young people started to fall behind academically—never to catch up.

That trajectory has been changing in Latin America and the Caribbean for over a decade with USAID programs prioritizing early literacy in classrooms. At their core, the programs are spreading the message that reading is the building block for all future learning.

“Literacy—perhaps as much as any other determinant—opens the pathway to a decent living,” notes Jeffrey Puryear, co-director of the Partnership for Educational Revitalization in the Americas (PREAL). “Early mastery of basic reading skills determines not only the extent to which one successfully stays in school, but how meaningfully they interact with modern society. In the most socio-economically unequal region of the world, where joblessness, immigration, and crime loom large, the stakes of ensuring that citizens are able to do both are very high.”

The most recent scores from UNESCO’s regional reading test show that the vast majority of primary school children in the region, particularly in Central America where USAID programs are focused, are not yet reading at grade level. In the Dominican Republic, for example, nearly three of every four third graders scored at the lowest level (1 of 5) on the UNESCO reading test.

Educators and parents alike confront a widespread culture of low expectations and competing priorities, both of which combine to make early-grade reading improvement a daunting challenge.

Nonetheless, many countries are showing improvement over prior administrations of the UNESCO test and on their own national examinations, both of which may reflect a slow yet steady process of educational change taking root across the region.

“Moving the needle on reading scores, as any substantial education reform process entails, takes time and patience,” Puryear explains.

IN 2002, USAID introduced the Centers of Excellence in Teacher Training (CETT) program, a $45 million, eight-year effort designed to improve teaching techniques and literacy for students in grades 1 through 3 in 22 countries.

CETT helped establish three sub-regional hubs serving the Andes, Central America, and the Eastern Caribbean where over 35,000 teachers received training in 2010, reaching nearly 1 million primary school students.

Teachers were trained in the science of teaching early literacy, including concepts like phonemic awareness (putting together sounds orally) and phonics (linking letters to their sounds).

“CETT methodology includes both a new way of understanding the process of learning to read, and support systems for teachers trying to implement best practices in the classroom,” explains Barbara Knox-Seith, a senior education specialist at USAID.

Reading and instruction specialists provided ongoing coaching and mentoring to principals and school teachers in the classroom to help them implement innovative practices. Teacher circles provided peer-to-peer exchanges and support along with opportunities to consolidate new learning and put it into practice.

In the classroom, that translates to creative, livelier students who learn from each other as much as they do textbooks and teachers—who have ditched the memorization drills and interact with students, bringing lessons to life.

“This is a total change in my career,” Violeta Corado, a teacher at one of the CETT schools in Guatemala told FrontLines for an article in 2010. “The children are the creators and the teacher is a motivator.”

A teacher in Bolivia admitted that, “I would have never thought my first-graders could write their own stories.” She says the training she received...
through CETT helped prove that theory wrong: “Now I realize that they don’t have to memorize; they can write and think and participate.”

CETT HAS PROVED effective through multiple evaluations, and its core methodologies have become part of established teacher-preparation programs in many LAC countries.

Though USAID support for CETT training has ended, the Agency’s work in early childhood literacy continues through several other programs.

One of them, the Early Grade Reading Assessment (EGRA) program, was first piloted in Peru in 2006, and later in nine other LAC countries before going worldwide, and is a low-cost assessment tool designed to gauge the reading level of students.

Whereas teachers often used to separate “readers” from “non-readers” in early-grade classrooms, EGRA provides a tool to more accurately assess reading levels of students—from the ability to identify letters through reading comprehension, to providing them customized assistance. It is also easily adapted to many different contexts, relatively easy for teachers to learn, requires no specialized materials, and can be administered quickly in any setting.

USAID programs have helped institutionalize the way teachers teach reading in the earliest grades. A recent impact study of CETT found that teachers with CETT training were employing close to 70 percent of the effective practices they were taught, and that students of CETT-trained teachers consistently outpaced their peers in reading test scores.

Most important, however, is the scalability and sustainability of these practices in host countries—an objective that has been at the core of all related programming. In Nicaragua, for example, the Ministry of Education is now scaling up classroom-level EGRA training for its teachers. For teachers in Peru, Ecuador, and Bolivia, the Andean regional CETT launched an online version of the CETT training, providing a cost-effective and sustainable option for future trainees.

Along with ministries of education, project partners have also developed alliances with private institutions, such as energy companies Pluspetrol and Aguaytía Energy and Lima Tours in Peru, which have committed funds to maintain the regional CETT and its resources. In the Dominican Republic, a new early literacy research program has been launched at the prestigious Pontifical Catholic University.

“Across all levels, the commitment to improving learning outcomes for kids, especially in the early grades, is palpable,” noted Kevin Roberts, education officer in the Dominican Republic. “There is so much work to be done, but it’s clear that the will is there, perhaps more than ever before.”

The same can be said for many other education systems in the region undergoing profound changes to the way their students are learning to read. Ileana Cofiño, a Guatemalan educator and teacher trainer with the Universidad del Valle, summarized the shift she’s seen over the past decade of working with CETT trainees: “My teachers will never go back. Maybe some percentage will, but most of them will never be the same.”

Hopefully, neither will their students. ■
IN DEVELOPMENT, THREE HEADS ARE BETTER THAN ONE

By P. Adriana Hayes

After decades of a model based on “North-South” assistance, a new wave of trilateral partnerships shines a spotlight on Latin America’s up-and-comers.

Soccer fans worldwide admire the Brazilian national football team for its prowess on the field. The South American country also has dedicated admirers of its success in agriculture and food security—though they are a bit less boisterous in their support. That lesser-known expertise was born back in the 1960s and 1970s as USAID helped to modernize Brazil’s agriculture sector at a time when the country was struggling to feed itself. USAID supported Brazil on issues ranging from increasing access to fertilizer to the establishment of laboratories and research centers. USAID also funded four American universities that worked with four Brazilian agricultural universities from 1963 to 1973 to improve the quality of undergraduate teaching; supported the integration of agricultural research and extension programs into the universities; and helped hundreds of Brazilians...
with other countries to leverage resources while drawing upon our respective areas of expertise in order to help countries throughout the region achieve their development objectives.”

AFTER TAKING DECADES to build its own success, Brazil is flexing its muscle as a star player in this arena. Having been recognized in 2011 at the United Nations for its success in lifting 12 million people out of poverty between 2003 and 2008, Brazil is now being held up as an example for other developing countries facing similar challenges.

Half a world away, Mozambique, USAID, and Brazil are partnering on three projects, totaling $19 million in U.S. and Brazilian funding, to help the southern African country improve food security, fight HIV/AIDS, and develop agricultural research and technology.

In the area of food security, USAID and Embrapa are helping the Mozambican Ministry of Agriculture find ways for farmers to increase the productivity of their vegetable crops and improve post-harvest packing, storage, and processing. Under this project, USAID is also collaborating with the Brazilian National Fund for Educational Development and the Mozambican Ministry of Education to develop a new approach to provide meals to children in school using produce from local farms.

USAID and Embrapa are also helping Mozambique to more quickly identify, develop, demonstrate, and transfer agricultural technology. In addition, USAID and the U.S. Centers for Disease Control and Prevention will help the Mozambican Government improve HIV/AIDS prevention and treatment.

Closer to home, USAID is working with the Brazilian Cooperation Agency (ABC), the country’s international development arm, to develop new trilateral partnerships that will improve food security in the region.

According to the United Nations’ World Food Program, hunger and malnutrition affect 53 million people in Latin America and the Caribbean. Food insecurity in the region is primarily driven not by lack of availability of food, but rather by poverty, which translates to the inability of poor families to provide an adequate diet, especially for children under the age of 5. For example, in Haiti, 40 percent of households are undernourished, with 30 percent of children chronically malnourished, and 24 percent of children affected by stunting.

“As the Western Hemisphere’s two largest democracies and two largest economies, it’s very exciting to see how the United States and Brazil can jointly help expand tried and true development success stories to our neighbors,” said Feierstein.

SIMILAR EFFORTS ARE also underway between the United States and Chile aimed at strengthening agriculture throughout Latin America. Since 2010, USAID and the Chilean International Cooperation Agency (AGCI) have been working to implement projects in Paraguay, El Salvador, and Guatemala.

In Paraguay, Chile is assisting the country’s Ministry of Agriculture to better target its agricultural services that are directed to poor small-holder families. USAID leveraged this work by helping the ministry upgrade training for its officials who provide assistance to rural communities. USAID
and AGCI are also working with the Paraguayan Government to improve its export-promotion and customs operations.

In Guatemala, which currently lacks a standardized national inspection system for agricultural exports, USAID and the U.S. Department of Agriculture are partnering with Chile to modernize the system. (The number of Guatemalan products declared unfit for entry into the United States primarily due to pests, nearly doubled from 2007 to 2009).

And in El Salvador, USAID and Chile are helping the Central American country improve food safety, pest risk assessment, livestock epidemiology, and monitoring of agriculture markets.

“We are very pleased with the success to date of our innovative triangular cooperation program…. The partnership between the two countries’ respective development agencies has facilitated our work enormously and increased awareness about our progress at the highest government levels,” said Jorge Daccarett, executive director of Chile’s aid agency.

TO LAUNCH a successful trilateral cooperation effort, extensive coordination among government agencies, implementing partners, and other technical participants is required. Jointly planning and funding a project requires an alignment of agencies’ policies and procedures that can be challenging and time-intensive. Organizations may differ considerably in such aspects as budget and procurement cycles, the types and nature of implementing partners they employ, and requirements for project oversight and accountability.

Despite the inevitable bureaucratic obstacles, such partnerships are considered by some to be indispensable—and smart.

USAID Deputy Administrator Donald Steinberg, speaking last year before InterAction, an umbrella group of NGOs and other development groups, said, “...no government agency, international organization, or private group has a monopoly on good ideas, ground truth, [or] financial resources.”

As Lawrence Hardy, USAID’s mission director in Brazil notes: “Trilateral partnerships developed to date are providing valuable experience in streamlining the time to design and implement successful development initiatives in third countries.”

Marco Farani, the director of the Brazilian Cooperation Agency, is also a believer in the benefits of ongoing collaboration. “Brazil welcomes the cooperation received from other countries, including the United States. We are still strengthening our cooperation initiatives, which is why collaboration with USAID, that has 50 years of experience, is essential,” he said.
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receiving training in canola production, over 150 families are expected to cultivate this crop, leading to a projected $660,000 in sales in 2012. Canola Andina is building two bulking and storage centers in Carchi as well.

“As a crop recently introduced to the [Ecuadoran] market, a capacity-building program for the producers is necessary for a high-quality product, which makes the cost to begin cultivation very high,” said Fidel Lopez, Canola Andina manager. “This investment would not have been possible for Canola Andina if it weren’t for the support of USAID. The Productive Network program enables us to reach the number of beneficiaries needed to achieve sustainability.”

Next door to Carchi, cocoa cooperatives in Esmeraldas are cultivating direct relationships with international buyers, thanks to an alliance with PRONATEC, a Swiss chocolate company. PRONATEC operates under a fair-trade model to ensure all producers who meet its quality standards receive a price premium of 10 percent to 25 percent above the standard market rate.

PNII banded with PRONATEC and the local development agency of Esmeraldas to train cooperatives in business management skills, deliver technical assistance to improve the genetic materials of the cocoa crop, and facilitate quality-assurance certifications. This deal is expected to generate over 454 new jobs and higher incomes for over 600 households in Esmeraldas.

By directly participating in the implementation of these programs, the provincial governments and local development agencies of Carchi and Esmeraldas are encouraging an attractive business environment in their regions. In turn, firms like PepsiCo, Canola Andina, and PRONATEC clearly show that businesses prefer to invest in regions with a dependable local government counterpart. The presence of these firms reinforces the formal economy in impoverished, remote communities, while the jobs and income they generate boost local resilience against illegal trafficking.

Said one anchor firm representative: “Through these programs, the work of USAID not only benefits small producers of the northern region, providing them with new and better opportunities...[but is] contributing to the development of Ecuador as a whole.”

Jennifer Hebets and Leah Quin are with CARANA Corporation.
Dr. Milena Zanderian conducts an eye screening at a school as part of the Armenian EyeCare Project.