
USAID/Angola


Alison Bird


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Partnering with USAID: A Guide for Companies

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HOW TO USE THIS GUIDE

The following pages provide guidance on each part of the partnership process. Depending on your level of experience with partnerships and with the public sector, or with USAID, you may find different sections more or less relevant.

The table below provides guidance on which sections may be most helpful for you.

Making the internal case for partnership? Section 1 and 2 describe the value of partnership and the business benefits of investing in development.		**New to partnership?** Section3 explains the process for finding areas for strategic investment	**Want to make sure your partnership comes off without a hitch?** Section 4 and 5 explain success factors and logistics for putting a great partnership together.	
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INTRODUCTION: PARTNERSHIPS WITH USAID

USAID wants to partner with you to promote sustainable development.

What is USAID?

USAID is the United States Agency for International Development.

We are an independent, federal government agency that receives overall foreign policy guidance from the Secretary of State. USAID supports long term and equitable economic growth and advances U.S. foreign policy objectives through support for economic growth, agriculture and trade, education, global health, democracy, conflict prevention, and humanitarian assistance.

Founded in 1961, USAID is the world's largest national development agency. USAID operates in sub-Saharan Africa, Asia, Latin America and the Caribbean, the Middle East, and Eastern Europe and Eurasia. The agency is headquartered in Washington, D.C., and has regional missions in each of the six regions above and country-level missions in the 86 countries in which the agency operates.

USAID created the Global Development Alliance (GDA) model in 2001 to prioritize and support strategic partnerships between USAID and the private sector. To date, USAID has cultivated more than 900 alliances with more than 1,700 partners to leverage approximately US$9.6 billion in resources.*

*Partner contributions are estimates by USAID partners and may include contributions from the private sector, NGOs, foreign governments, and other organizations. Estimated contributions include cash and in-kind resources. In-kind resource estimates may have been valued by non-USAID partner organizations. Partner contribution estimates are not audited.

USAID believes that collaborating with the private sector can be an effective way to work, and the organization seeks partners that are active and invested in economies across the globe.

WHAT DOES THIS MEAN FOR BUSINESS?

The term "development" refers broadly to the reduction of poverty and improvement of living standards through increased economic opportunity and a better quality of life. Issues relating to development include governance, healthcare, education, gender equity, infrastructure, human rights, economic opportunity, and environmental sustainability.

Development initiatives aim to address individuals' challenges to prosperity and well-being through targeted assistance to non-governmental organizations, businesses, and national and local governments in the developing world. By fostering well-functioning markets, increasing trade, improving health and education, and enhancing governance and infrastructure, development initiatives create environments for long-term economic growth and social progress. For example, over the past two decades, investments in better seeds and agricultural techniques have helped feed about one billion people in the world.

- DEVELOPMENT PARTNERSHIPS MAKE SENSE FOR BUSINESS.

Development initiatives also benefit businesses by mitigating risks, creating access to new markets, training workforces, and building relationships with key stakeholders. These initiatives can address socio-cultural, economic, and environmental challenges and opportunities to enhance your current and future operations.

- PARTNERSHIPS RESONATE WITH CUSTOMERS AND SHAREHOLDERS.

Development makes a compelling story about improving people's lives—and that story speaks to business stakeholders. Working with USAID can lend authority and legitimacy to a business' development efforts. Development initiatives can also create new customers and open new markets.

- PARTNERSHIPS CAN DOUBLE OR TRIPLE THE IMPACT OF YOUR SOCIAL INVESTMENTS.

With more than a billion people lacking access to safe water, proper nutrition, and basic health care, the challenges of poverty are widespread and crippling. Partnership enables the sharing of resources, skills, and networks that allow partners to achieve far more than they could individually.

GETTING STARTED ON A PARTNERSHIP CAN BE CHALLENGING.

We have written this guide to help you navigate the process of forming a partnership with USAID. From strategy conversations inside your company, to your first visit to USAID, to the relationship we develop and the partnership we create, this guide offers tips and examples to help you get started and to help those who are already working with USAID improve future partnerships.

I. WHY PARTNER?

In Short:

- Access technical expertise.
- Strengthen stakeholder networks.
- Reduce financial burdens.

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As environmental and socio-economic challenges threaten supply chain stability and the security of global operating environments, investment in development has become increasingly relevant to long-term business growth and risk mitigation. And as businesses grow globally, companies are supporting development to better understand and gain access to new markets.

Many of the challenges businesses face are really symptoms of the development challenges USAID is working to address. As a result, initiatives to address business and development challenges are often best pursued jointly investments often have long term horizons and challenges require diverse areas of expertise, and partnerships can provide business and the public sector the opportunity to combine complimentary strengths and resources. Participation and buy in by local communities, government, and international experts can enrich the quality and sustainability of your activities, and contribute to the legitimacy of your efforts. By working together, partners often find a new way of looking at a problem, and then develop a better solution together.

To this end, a growing number of companies are forming partnerships with governments, multilateral organizations, and bilateral aid agencies like USAID to share funding, expertise, and stakeholder networks.

ACCESS TECHNICAL EXPERTISE

Public private partnerships can be beneficial to all participants because of the opportunity to share knowledge.

For example, while a company might have limited expertise about a geographic area or about a topic related to development, USAID has considerable experience in all facets of development, as well as deep regional and country level knowledge. USAID can also help you find the intersections between critical development issues and your company's bottom line. USAID has particular expertise in the following issues that also affect the private sector:

- Agricultural supply chains: working with small farmers or farmer groups to increase productivity, enhance quality, and improve value chains
- Economic growth and trade: improving access to finance, building skills, developing infrastructure, and improving supply chain efficiency
- Education: supporting workforce development through technical training programs, and support for primary, secondary, and higher education
- Environment: supporting communities and governments in natural resources management and developing certification systems
- Global health: improving the health of citizens and their children for a healthier workforce and sustainable communities
- Rule of law and democratic governance: fostering business-friendly operating environments, promoting respect for human rights and the rule of law, and supporting regulatory policies related to labor standards

What USAID Brings to Partnerships

- Technical development expertise.
- Strong national and local government relationships.
- Long-term country presence.
- Credibility and goodwill.
- Network of local, regional, and global partners for implementation.
- Convening power.
- Financial resources.

What Companies Bring to Partnerships

- Skills, services, and products.
- Access to global supply chains and markets.
- Market-driven approach to initiatives.
- Technology and intellectual property.
- Relationships with local business actors.
- Communication and marketing acumen.
- Financial resources.

USAID also has expertise in effective monitoring and evaluation frameworks, so that companies can measure the results of development activities over time.

Similarly, companies bring unique expertise to government partners. Companies have deep insight into market trends and needs, and they also can assist public-sector partners in connecting suppliers to global value chains. Often, businesses provide technologies and intellectual property that otherwise might not be available to the public sector. Finally, companies can contribute business skills, such as marketing and communications.

Chevron

"Expanding beyond our comfort zone was what led us to seek partners."
— Dennis Flemming, Chevron

STRENGTHEN STAKEHOLDER NETWORKS

The private and public sectors also bring a complementary set of relationships to partnerships. USAID's country-level missions typically have strong relationships with national and local governments, and throughout the world, USAID has a strong network of local, regional, and global NGOs, civil society groups, and foundations. Through these partnerships, USAID has also built considerable credibility globally and has a strong convening power with groups across sectors and geographies. These relationships can help companies understand economic development and developing market needs, and secure social and regulatory licenses to operate.

Partnerships can also help companies strengthen existing business relationships, particularly by providing local suppliers and stakeholders access to technical expertise, as well as resources to improve their practices and products.

Businesses also bring important relationships to partnerships that can enhance development impacts. Companies with local operations are generally well connected to local business communities, which can be important for linking suppliers to markets.


USAID/Angola

"For us, partnership is about identifying areas of mutual interest, finding out what the critical needs are, and finding the stakeholders who can come to the table and leverage our collective resources."

— Dennis Macray, Starbucks


Conservation International

CASE STUDY: SUSTAINABLE COFFEE WITH CONSERVATION INTERNATIONAL AND USAID

In 1997, Conservation International (CI) approached Starbucks with a discovery: The coffee-growing areas around the world overlapped with dense areas of biodiversity. CI also revealed that sustainable coffee-growing practices went hand in hand with environmental conservation. When farmers have access to markets and are paid a good price for high-quality coffee, they are less likely to use their land for livestock or commercial development—both of which contribute to deforestation.

Starbucks, which has a long-standing commitment to sustainability and philanthropy, was interested in supporting sustainable growing practices. But the company was reluctant to commit to buying the coffee without technical assistance for farmers to meet the specialty quality requirements.

However, the quality of the coffee produced by the farmers participating in the program exceeded everyone's expectations. Not only did Starbucks buy the coffee, the company made it a signature product: Starbucks Organic Shade-Grown Mexico.

The program created a win-win-win situation:

- Starbucks secured high-quality coffee with organic certification.
- Farmers received higher prices, access to premium and specialty markets, and technical training to keep improving coffee.
- CI created incentives for farmers to produce their coffee sustainably, to avoid deforestation, and to protect the biodiversity surrounding their farms.

USAID AS A MULTIPLIER

In 2003, a USAID program focused on farmer livelihoods in Mexico created an opportunity for significant expansion of the existing work with Starbucks. CI submitted a proposal, and Starbucks' existing financial commitment gave CI an advantage in the application process. When the USAID grant was awarded, Starbucks' CEO went to Mexico City to sign the three-way memorandum of understanding with officials from CI and USAID as well as the U.S. ambassador to Mexico, generating positive publicity for the initiative.

With USAID involved, the project was replicated in Costa Rica and Panama. The additional funds also supported the development of a new Starbuck's coffee purchasing program focused on sustainable farming as a business solution.

FROM PHILANTHROPY TO C.A.F.E. PRACTICES

As a result of the partnership, Starbuck began its Coffee and Farmer Equity (C.A.F.E.) Practices purchasing program. C.A.F.E. Practices is a continuous improvement platform that evaluates coffee quality, sustainable farming, and compliance criteria. C.A.F.E. Practices reflect the evolution of the Starbucks purchasing model to prioritize close relationships with producers, investment in sustainable coffee production, and a commitment to the development of grower communities. Partnerships with USAID globally represent a critical tool in helping Starbucks achieve its business and development objectives.

2. IDENTIFYING THE INTERSECTIONS OF BUSINESS AND DEVELOPMENT

In Short:

- Supply chain stability.
- Social license to operate.
- New market development.
- New customer outreach.
- Product differentiation.
- Talent development.
- Community investment.


USAID/Guatemala

Many problems businesses face in international markets and global supply chains are symptoms of the same development challenges that USAID is seeking to address. This section presents a list of common business challenges, and identifies how and why development organizations may also be working on the same issues, or may be able to influence them. Targeting your partnership investments toward these shared challenges will likely result in a dynamic, mutually beneficial alliance.

SUPPLY CHAIN STABILITY

Enhance supply chain transparency through engagement with sub tier suppliers in community development initiatives.
When supply chains lack transparency, disruptions in production can impede a company's ability to meet customer demand. Lack of transpararency can also increase violations in labor, quality or sanitation standards. By boosting local economies, improving access to global markets, and stimulating sector growth, development initiatives can increase supply chain transparency and aid in supplier capacity building.

Build technical expertise and sustainable practices to ensure stable supply chains.
Overseas producers particularly suppliers of specialty or geographically defined products often get linked into international value chains without the technical expertise or business knowledge to ensure long-term, reliable production. Investment in a partnership can help ensure that the suppliers you are using today will be able to meet your production needs in the future. Development initiatives may focus on building technical expertise and promoting sustainable practices in suppliers in order to reduce their vulnerability to social and environmental risks, such as water scarcity, poor working conditions, and environmental degradation.

Walmart Save money. Live better.

"USAID has been an invaluable partner to Wal-Mart in our efforts to improve the export readiness of producers around the world."

— Angela Hofmann,
Wal-Mart Stores, Inc.

SOCIAL LICENSE TO OPERATE

A social license to operate can be both formal, requiring government approvals, and informal, based on community goodwill.

Increase social license to operate and help stabilize insecure operating environments.
If your international activities are geographically bound, maintaining a strong social license to operate and good relationships with local government is critical to the success of current and future operations. Through partnerships, companies can demonstrate their long term commitment to local communities and their support for the broader development agenda. Community investment and engagement with local government can also promote transparency, rule of law, civil society, and healthy local economies.

Reduce regulatory risks by engaging local government and supporting transparent rule of law.
USAID missions often have established relationships with national and local governments, and can facilitate introductions and support opportunities for collaboration. Private sector support for development efforts that seek to engage government, increase transparency, and increase support for compliance codes and other labor regulations will also contribute to a stable operating environment for business.

Examples:

Risk Mitigation Benefits

Mars: Concerns about the long-term viability of cocoa supply chains led Mars to develop a partnership with USAID to ensure regular availability of inputs such as seeds, as well as training for cocoa producers to enhance crop yield and quality.

Chevron: The Angola Partnership Initiative contributed significantly to establishing new networks of partners that helped Chevron improve its long-term business interests in Angola through collaborative support for socio-economic development. It also helped the company improve its relations with the Angolan government and other key stakeholders in the country.

USAID/Angola

P&G

"Partnering with USAID is like getting a Good Housekeeping Seal of Approval. They bring a lot of legitimacy to our initiatives, particularly when we are entering new markets."

— Carolyn Brehm, Procter & Gamble

NEW MARKET DEVELOPMENT

Develop technical infrastructure to support market expansion.
Building new markets in emerging economies often requires parallel growth in a related market, or development of some other piece of the economy, such as infrastructure. For example, the market for cell phones is limited in regions that lack power infrastructure. Development organizations may support strategic partnerships that invest in the parallel development required, creating new markets and promoting progress in the local economy.

Introduce existing products to new markets.
Development initiatives also offer a valuable opportunity to bring existing products to new markets. Working with local actors to create small-scale distribution networks even outside of the formal economy can help you reach isolated populations while also supporting local entrepreneurship. New products can also promote changes in well being for new customers. For example, the introduction of feminine hygiene products helps women work and girls attend school without interruption.

Procter & Gamble

NEW CUSTOMER OUTREACH

Reach new and future customers at the base of the pyramid.
Expansion to new markets or increasing market share often requires the adaptation of existing products to ensure their relevance in different cultural and market contexts, particularly at the base of the economic pyramid, where customers have extremely limited income. For example, consumer goods can be repackaged into smaller, less expensive units. Development initiatives that facilitate engagement with potential customers can help companies understand these market needs. In a best case scenario, a company could develop a product that solves a tough development problem and benefits the company. Examples of this include a food item fortified with nutrition supplements for an area where children are malnourished, or a mobile microfinance program that delivers small loans via phone in areas with limited banking infrastructure.

Examples:

Growth Opportunities

Cisco: Cisco's Networking Academy programs teach students around the world how to design, build, troubleshoot, and secure computer networks for increased access to career and economic opportunities.

Procter & Gamble: In many of P&G's initiatives with USAID, business units and the regional teams (known as the go to market teams) have sought to take existing products into emerging economies.

IYF

"We now have Cisco Networking Academies in more countries than we have Cisco offices. Often, they are the first face of Cisco."

— Cristina McGlew, Cisco

PRODUCT DIFFERENTIATION

Differentiate your products by tying them to social investment programs.
Linking products to development initiatives allows companies to tell compelling stories about the people involved in the creation of their products, such as women working in garment factories or farmers growing coffee. Development initiatives can also help farmers secure valuable labeling certifications, such as organic or Fair Trade™, which enable companies differentiate their products and increase consumer loyalty.

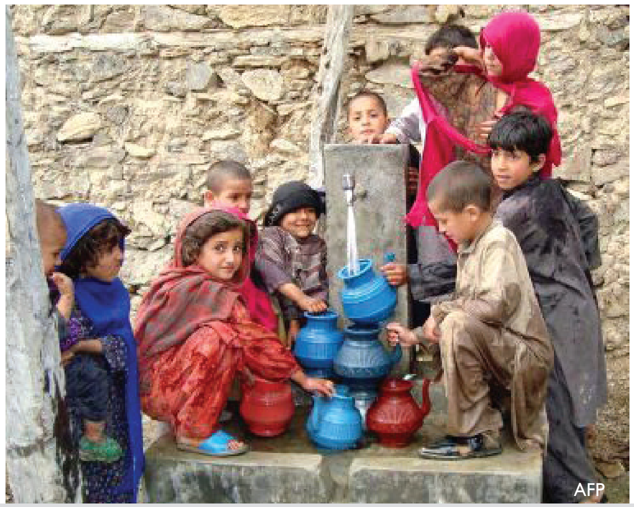
WORKFORCE DEVELOPMENT

Improve operational efficiency, products, and product inputs through training and education programs.
By supporting and building relationships with producers, businesses can realize significant value as well as mitigate risk. Producers may lack access to education and support infrastructure, but they are likely most aware of what would help them be more productive or create higher-quality goods. In other cases, teaching suppliers simple innovations or process improvements can have significant impacts on product quality and/or yield. Such investment can create opportunities for socio economic development through producer skill-building, increased access to markets, and increased quality and yield of products.

Build capacity of local employees to support short and long term business growth.
In addition to suppliers, many companies also have local operations in developing countries. Workforce development and leadership programs can help build the skills of your company's current and future local staff, who will contribute to the sustainability of local operations. Professional development contributes significantly to local development by increasing skill and wage levels.

COMMUNITY INVESTMENT

Finally, development initiatives are an effective method of achieving your company's commitments to community investment and philanthropy. Partnering with an organization like USAID can lend authority and legitimacy to your investments, while cost sharing can provide opportunities to expand successful programs for increased impact. Procter & Gamble's Children's Safe Drinking Water initiative, for example, is the company's signature philanthropic program. Working with USAID, P&G has been able to deliver more than 1.6 billion liters of clean drinking water since 2004.



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3. DETERMINING YOUR INVESTMENT STRATEGY

In Short:

- Determine your objectives.
- Define your financial commitment.
- Create a partnership management structure.
- Find shared priorities.

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Embarking on a partnership with USAID may mean moving away from your company's traditional methods of making philanthropic investments or donations. In order to guarantee a long term benefit for your company, you should clarify some key internal issues: You must identify your company's strategic objectives, define your level of financial commitment, create a partnership management structure, and find shared priorities.

DETERMINE YOUR OBJECTIVES

Every company has different reasons for pursuing development partnerships. To ensure that your activities are relevant, spend some time determining which type of program will best meet your company's business objectives. Often, the myriad development challenges and partnership opportunities can be overwhelming. USAID can help you determine which issue areas are most pertinent for your business. Nonetheless, to ensure maximum relevance to your company, you should play an active role in identifying geographies, opportunities, and potential activities for investment. Pinpointing important issues to your business strategy and your stakeholders usually involves a focused priority, or materiality analysis.

Regardless which departments will provide funding or partnership oversight, you should seek companywide input. Without a wide range of contributions, partnerships will struggle to meet business goals and may be less sustainable over the long term. Procter & Gamble, for example, has built and sustained a number of partnerships by incorporating ideas from business units looking to expand market access for particular products. Flexibility on details is important, as the activities of any partnership should be decided by all actors involved. However, going to USAID or an implementing partner with a limited understanding of your objectives, expectations, and potential restrictions, will limit the efficacy of your conversations, could unnecessarily lengthen the start-up phase, and may reduce the strategic nature of any partnership you create.

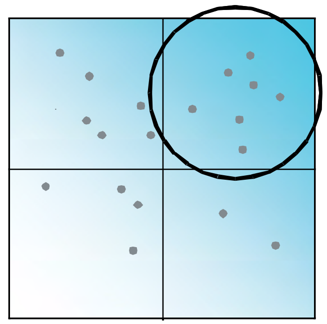
"We look at global health needs, and then we find where our expertise fits best, and which needs we could best contribute to."
— Kathy Pickus, Abbott

Determining Your Company's Strategic Development Issues

A graphic modeling of priorities, or a materiality analysis, is an excellent tool for identifying and building internal consensus on which development issues are most strategic for your company.

Beginning with a range of development issues across geographies, you can undertake a structured process to prioritize the issues that influence the assessments and decisions of stakeholders and that have significant influence on your bottom line.

This process will help ensure meaningful development impacts, and will maximize overlap with business interests. The process and outcomes will also support conversations with USAID and efforts to identify areas of mutual interest.



Influence on business success

Tip:

Think about using both business and charitable funds for development partnerships.

Diversifying the sources of funding (and any conditions on their use) enables innovative combinations that reflect the realities of strategic development investment. Contribution from the charitable side can also help encourage business departments to invest their funds in the partnership.

Achieving this balance can be complicated, especially for companies that explicitly separate the foundation from the business. But there may be a solution: For example, you could have company departments or suppliers pay for activities with direct business benefits, and use corporate foundation funding for strategic investment in surrounding community infrastructure.

Gain

The more you know about what your company is trying to achieve and why, the better prepared you will be to select a partner or partners and design a program to achieve your shared objectives. Securing support from senior management at the outset will also strengthen the partnership.

Remember: Don't go it alone. It's crucial to involve colleagues throughout your company to ensure relevance, senior management support, and long-term sustainability.

DEFINE YOUR FINANCIAL COMMITMENT

Early in the partnership process, you should discuss the financial aspects of the partnership both with your company and with your partners. This will ensure that time is not wasted if financial commitment does not exist, and it will help build trust and transparency in partner relations.

Internally, you first need to determine how much you are willing to invest. New initiatives with only one private sector partner may require investments of US $1 million or more; however, companies can also explore opportunities to join existing partnerships with smaller initial investments (see page 13). Once you have agreed on an amount, determine your options and constraints for dispersing the funds. Aligning your desired funding commitment and your internal allocation requirements will help avoid delays and potential conflict later.

Funding allocation strategies include:

- **Independent corporate foundation:** If your company has a separate foundation that supports issue areas relevant to your business, the foundation could provide financial support, or pay cash to the company for in kind donations.
- **Philanthropy budget allocation:** If it is important to keep community and business investments separate, philanthropy dollars can be used.
- **CSR and corporate affairs:** CSR budgets could be used for programs that promote stakeholder engagement, including local community initiatives such as health and education. This department is also sometimes called communications or government affairs.
- **Supply chain management:** Initiatives focused primarily on improving capacity for ethical sourcing and strengthening relationships with suppliers can be funded through procurement or supply chain budgets.
- **Local business units or subsidiaries:** Local business units may have marketing, business development, or philanthropy budgets that can be used for partnerships. For example, a portion of the Angola Partnership Initiative came from Chevron's local subsidiary.
- **Product and business development departments:** The testing of safety-approved new products or technologies could be integrated into development partnerships. For example, a new computer product could be tested for bugs by students in a computer skills program. Similarly, expanding existing products to new markets could be relevant to these departments. Business development units can also facilitate in-kind donations. This department is also sometimes called product development or emerging markets.

CREATE A PARTNERSHIP MANAGEMENT STRUCTURE

Both the partnership-building process and the implementation phases are more efficient when you identify a point person to manage your company's relationships with USAID and the implementing partner, the partnership formation process, and the resulting program. If you are pursuing a partnership in only

Examples:

Internal Management

Microsoft: This company established internal communication channels, promoting USAID opportunities with local business units. All questions and project ideas directed upward to a headquarters contact, who facilitates mission-level relationships.

Mars: Internal management evolved over time. First, it was housed in purchasing, and it soon broadened to include both technical staff (to vet project contents and support implementation) and government affairs (to act as mediator).


USAID/OFDA

one country, this person should be based nearby, with designated support from headquarters. If a partnership is spread across several countries, one person at headquarters should oversee all partnerships and act as a first point of contact for staff in the field.

The types of staff chosen for the job are important, too. As managers of the relationship with USAID and other partners, they will also serve as an internal "interpreter" of these external organizations. For the partnership manager to function effectively and build meaningful relationships with partners, this person should possess a basic understanding of the development perspective, and skills or experience to support working with public sector and nonprofit entities.

In addition to creating a formal staffing structure, you should develop a formal communications and relationship management framework with USAID. Partnerships approached like formal business relationships with suppliers or retailers will yield better results through enhanced and consistent communications.

"Who you assign [internally] to these partnerships is really critical. They have to be able to build relationships. And if they don't have an understanding of those other organizations, this is very difficult to achieve."

— Dennis Flemming, Chevron

FIND SHARED PRIORITIES

USAID defines investment priority areas that inform budget allocation at the regional and country-level missions and agency headquarters. A high-level summary of these priority issues is outlined in the table that follows.

Funding for alliances will come from the mission or regional level; USAID's Washington-based staff have limited budgets. Therefore, once you have identified an issue area, you should contact either the Office of Development Partnerships (GDA) in Washington, or the Regional Alliance Builders (See the **Appendix C**, page 26) to inquire which missions may be interested in exploring partnerships.

Also note that USAID is a U.S. government agency, housed under the Department of State, and priority areas of investment may emerge in conjunction with critical foreign policy issues at the behest of Congress. For example, at the time of publication in late 2009, Muslim-majority countries, especially Pakistan and Afghanistan, were high priority aid recipients. The President's Emergency Plan for AIDS Relief (PEPFAR), is another example of public policy impacts on global USAID strategy. Large, sweeping directives such as these change along with geopolitical circumstances and foreign policy priorities, and you should take them into account when considering investment areas.


USAID/OFDA

Allocation of USAID dollars undergoes significant scrutiny and partnerships are no exception.

Some examples of what USAID *cannot* fund include:

- Pursuit of corporate interests beyond development focused initiatives.
- Direct investment in company activities or expansion into new markets.
- Direct loans to companies.

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TABLE 1: BUSINESS-RELEVANT PRIORITY AREAS OF USAID INVESTMENT

USAID Program Area	Relevant Industries	USAID Interests: Potential Areas of Shared Interest
Agricultural Supply Chains	Agriculture, Food, and Beverage	• Agricultural markets, trade, and finance. • Secure supply chains and stable producer communities. • Food security and nutrition. • Science and technology research. • Technical assistance and extension services for farmers. • Sustainable agriculture and livestock.
Disaster Response and Humanitarian Assistance	Any	• Traditional disaster relief: food, clothing, and shelter donations. • Technology and skills transfer via staff or equipment. • Post-disaster rebuilding.
Education and Workforce Training	Information and communications technology (ICT) Extractives Any	• Workforce training programs. • ICT education and qualification programs. • Education for women and girls.
Energy Efficiency, Conservation, Water Management	Any	• Tools and training for sustainable farming practices. • Energy-efficient technology for suppliers. • Wastewater treatment programs. • Irrigation technologies. • Community access to water.
Market Access and Business-Enabling Environments	Agriculture, Food, Beverage Consumer Products Finance ICT	• Training programs for suppliers to increase quality and yield. • Microfinance programs. • Improve supplier access to global markets. • Telecommunications and infrastructure.
Rule of Law and Transparent Governance	Finance Media ICT	• Rule of law and business-friendly operating environment. • Supporting transparent elections and political processes. • Promoting free and independent media.
Worker and Community Health	Pharmaceuticals Consumer Health Products ICT	• Hospitals and clinics for worker communities. • ICT and health (remote and mobile health care, health records). • Health care provider training. • Medical device donations and training. • Awareness-raising programs.

“If you want to work with USAID, finding an organization with an existing relationship or track record with them is extremely helpful.”

— Dr. John Owens,
SC Johnson

“SC Johnson’s balanced approach has made them a strong partner – they are interested in having sources for their products, but also interested in bettering people’s lives.”

— Dr. Linda Cleboski,
The Borlaug Institute


World Bank

CASE STUDY:

Building a Stable Pyrethrum Value Chain in Rwanda

On a trip to Rwanda a few years ago, SC Johnson Chairman and CEO Fisk Johnson was struck by the poverty he encountered and became eager to explore opportunities to support the pyrethrum growers and industry in the country. Dried chrysanthemum flower heads contain the natural pyrethrum insecticide that SC Johnson uses in some of its consumer insecticide products.

From the start, SC Johnson had a clear understanding of its business objectives: Increase the availability of pyrethrum by improving production practices and stability in the supply chain. However, the company also wanted to ensure robust supply chain infrastructure and market links to support sustainable growth.

THE CATALYST:

A Partner with Existing Ties to USAID

To better understand the potential for pyrethrum sourcing from Rwanda, SC Johnson enlisted the Norman Borlaug Institute for International Agriculture at Texas A&M University to do a value chain assessment. The Borlaug Institute, which employs agriculture science to meet hunger needs and promote economic development, had been working on value chain development projects in the country since early 2000, most recently as part of the SPREAD Project in partnership with USAID.

The assessment revealed significant potential for development of Rwanda’s pyrethrum value chain. Although the sector had struggled, Rwanda had the necessary volume of farms to build cooperatives and the necessary infrastructure to grow the sector, creating a clear opportunity to achieve business and philanthropy objectives.

An added catalyst came through the Borlaug Institute’s existing relationship with the USAID mission in Rwanda. When SC Johnson determined that it wanted to create an initiative based on the results of the assessment, the Borlaug Institute immediately made the link to the mission’s objective of expanding agribusiness opportunities in Rwanda. Borlaug also facilitated an early introduction between SC Johnson and USAID, so that all three parties participated in the project design process.

Based on the Borlaug Institute’s recommendation, the USAID Mission built the pyrethrum project into its budget and proceeded with the SC Johnson partnership. During the application process, Borlaug was also able to lay the groundwork for the project and begin preliminary activities by tapping existing funds through the SPREAD Project and SC Johnson’s contribution.

COMMITMENT TO SOCIAL INVESTMENT + DUE DILIGENCE = TRIPLE WIN

One of the key success factors in developing this partnership has been SC Johnson’s balanced approach to business and development needs. The company demonstrated an equal commitment to securing a source for its products and to improving the farmers’ lives.

This shared commitment contributes to the strong relationship between SC Johnson, USAID, and the Borlaug Institute, which in turn supports the long-term sustainability and viability of the partnership.

This partnership has achieved triple win impact:

- SC Johnson develops a stable and sustainable source for a key input to its natural insecticide product lines.
- Farmers receive technical assistance and training, access to global markets, and access to credit for buying materials for and constructing pyrethrum flower drying tables.
- USAID contributes to a new value chain to grow and diversify the Rwandan economy. It also improves technical skills and market links of Rwandan farmers, ultimately resulting in higher incomes and a better quality of life.

4. MAKING IT HAPPEN

In Short:

- Build strategic relationships.
- Go local.
- Start small.
- Be flexible.
- Seek opportunities to join existing programs.
- Identify an implementer.
- Link planning to partnership objectives.
- Explore timing options for engagement.


Conservation International

Every partnership comes together in a unique way; however, many draw on similar success factors. Whether you are looking to partner for the first time, to build on existing relationships, or to avoid previous mistakes, the tips that follow will help you maximize efficiency and build a solid foundation for sustainable and impactful partnerships.

"Through existing relationships, the Department of State approached us to participate in a joint program with USAID on telemedicine in Pakistan."

— Bonnie Glick, IBM

BUILD STRATEGIC RELATIONSHIPS

"Public-private partnerships" is a popular catchphrase for relationships that many companies want to have in their portfolio of corporate responsibility or philanthropy programs. However, a meaningful partnership cannot form without serious, concerted investment by all parties. Like any venture, partnerships depend on the people who manage them and this requires the formation of strong bilateral relationships.

Investing time in strong relationships will deliver more return in the long term than hastily conceived partnerships. Start by familiarizing yourself with the development landscape. In many emerging economies, USAID and other bilateral and multilateral agencies are big players with big budgets. There is a strong chance that their work will be relevant for your business activities or growth objectives in those regions. Moreover, your ability to operate efficiently and responsibly in these environments will be enhanced when you are familiar with the activities of global development organizations.

Next, seek relationships with public sector aid agencies like USAID and implementing partners who are working in a relevant sector or geographic area. To find such organizations, try looking online as a starting point: for example, the Yahoo Directory has a useful list. USAID can also help point you in the right direction or make initial introductions.

As you begin a partnership, work to understand your commonalities and how you might work together. Relationship development takes time. To be more efficient, consider starting at the local level, where relationships can lead to action more quickly. Another option is to look within your company and staff to find existing relationships that may prove useful. As described earlier in this guide, SC Johnson established its alliance with USAID through an existing relationship with the Borlaug Institute.

Another option is to hire staff with international development, public sector, or cross cultural communication expertise. These individuals provide a rich collection of expertise and relationships that you can use to build a more robust department for managing sustainability initiatives and partnerships.

"Your first step should be to take some time to get to know the people at the mission, gauge their level of interest and resources."

— Dennis Flemming, Chevron

GO LOCAL

USAID staff in Washington can be an excellent resource, but strategy and funding decisions are made at the country and regional level. If you know where you want to invest, work through your own regional staff, build direct relationships with USAID missions, and find

Example:

Coca-Cola

With the support of senior management, Coca-Cola created a global water stewardship policy which would become the basis for broader engagement. However, their first proposal and ultimate partnership with USAID focused on four pilot projects in four countries, which were led by USAID missions, local Coca Cola business units, and Coca Cola bottlers.

Remember:

USAID funds for partnerships are distributed through country and regional missions, not through the Washington office.

West Africa Water Initiative

implementing partners with strong local knowledge. Many interviewees for this guide reported that the best ideas are developed at the local level, where local business knowledge and relevant technical expertise are likely to be deeper. Moreover, long-term success and sustainability requires local ownership, which is best established early.

Local relationships are also critical from a financial standpoint. USAID funds are predominantly managed at the mission level, so engaging these staff members first will ensure that you are working with the key decision-makers within USAID.

If your company has local staff, involve them early, and, if possible, give them leadership roles in the partnership. Local cultural contexts around CSR and corporate philanthropy may conflict with headquarter objectives, and ignoring these differences may jeopardize the success of your initiative.

START SMALL

Choose one issue and a defined geographic area and grow and learn from there.

Setting up an effective development partnership is a complex process, and limiting your focus will improve efficiency and provide room for course correction along the way. In development, as in business, a good idea is not enough. Unexpected barriers may arise, and addressing these on a small scale will reduce cost and risk. Moreover, you can establish a platform to avoid similar challenges if you replicate the project on a larger scale. Moreover, building internal systems and relationships with USAID and other resource partners, and developing the partnership content itself, will create a more robust platform for successful expansion in the future.

The Coca-Cola Company

"Have a vision for something big. But start with something you can manage, that will enable flexibility, and that you can build on as you learn."

— Denise Knight, The Coca-Cola Company

BE FLEXIBLE

Development challenges whether related to health, education, access to water, or access to markets are all impacted by local culture, political circumstances, and potentially even natural disasters. There is no cookie-cutter approach, and even a strategy that seems right at one point may become irrelevant if circumstances suddenly change. Moreover, because USAID is a development organization and not a business, its approach to a shared challenge may differ from yours. Embrace these differences as opportunities to make your activities more holistic and sustainable. For initiatives and partnerships to have the greatest impact, they must be relevant to all stakeholders. Maintaining flexibility and listening to your partners will allow you to seek areas of common understanding when conflicts arise.

SEEK OPPORTUNITIES TO JOIN EXISTING USAID PROGRAMS

USAID missions often invest in large, multiyear programs with trusted implementing partners to achieve development goals in a given country. For example, a broad program may seek to contribute to the growth of small and medium sized businesses in the country, while a specific program may target a specific region, issue area, or industry, such as the Mekong Delta, access to finance, or the garment sector. Such programs can be two to five years in length and often receive renewals if they have been successful.

Example:

The USAID Assurance

Now that their relationship with USAID is well established, Starbucks has begun to recognize the significant non-financial value of working together. For example, Starbucks often seeks USAID's insights on potential NGO partners or grantees. Looking at the portfolio of organizations that USAID is supporting in a given country can help you make wise investment decisions.

"If an NGO is working with USAID, we may see them as a credible organization, and that they are part of a broader development agenda in the country or region."

— Dennis Macray, Starbucks

Many companies create partnerships with USAID by adding or "embedding" a partnership within an existing program. For example, Abbott created a partnership with USAID in Kosovo to reduce premature births and infant mortality by contributing cash and in-kind resources to an existing USAID program with the Dartmouth College of Medicine and Americares that targeted Kosovo's health systems.

Embedding in existing USAID programs offers an efficient and cost effective entry point into a partnership with USAID. With this method, your company can circumvent preparatory relationship-building by jumping into existing relationships, and often invest at a comparatively lower level, by contributing to a portion of a larger program, rather than carrying the program on your own.

Contact the USAID Regional Alliance Builder or the point of contact in the mission of interest to you to obtain a list of their current projects including dates and funding levels (See **Appendix C**, pg. 26 for contact details).

IDENTIFY AN IMPLEMENTER

Implementing partners know the local development landscape and are often already recipients of aid from many donors, so they can serve an important role in the partnership formation process. Implementing partners can also save time and reduce the administrative burden for companies. As implementing partners are often the recipient of your funds and those of USAID, they may be best placed to manage the partnership logistics.

Look for an organization working in the region of interest to you, or one with relevant technical expertise on the issue you've identified. Start with USAID mission websites to see what they are already funding. Existing USAID grantees and contractors will have the easiest time securing funding for a new partnership project. USAID Washington can also provide direction.

Next, look at your competitors: Significant NGO partnerships will likely be highlighted on corporate social responsibility websites. This can help you get an idea of who is working on what issues and where. Finally, ask for help. For example, BSR has relationships with numerous development NGOs who operate globally.

An industry group can also act as an implementer, pursuing and managing alliances on issues critical to its members. A useful example is the World Cocoa Foundation (WCF), which began exploring partnership opportunities to address the sustainability of the cocoa supply chain because of the urgency of the issue to its food processor and retailer members. WCF currently manages three large partnerships with USAID in Africa and Central America, as well as others with donors such as the U.S. Department of Agriculture and the Gates Foundation.

"We wouldn't have been able to make as much progress or to scale up our initiatives as much as we've been able to do without the help of the World Cocoa Foundation."

— Sherrie Esposito, Kraft Foods Inc

LINK PLANNING TO PARTNERSHIP OBJECTIVES

Integrating discussions of partnership opportunities into strategic planning processes can help enhance links between business and development objectives and ensure appropriate budget allocation. Broadening this conversation to include USAID and other partners can help promote transparency and solidify partnerships beyond the life of one project.

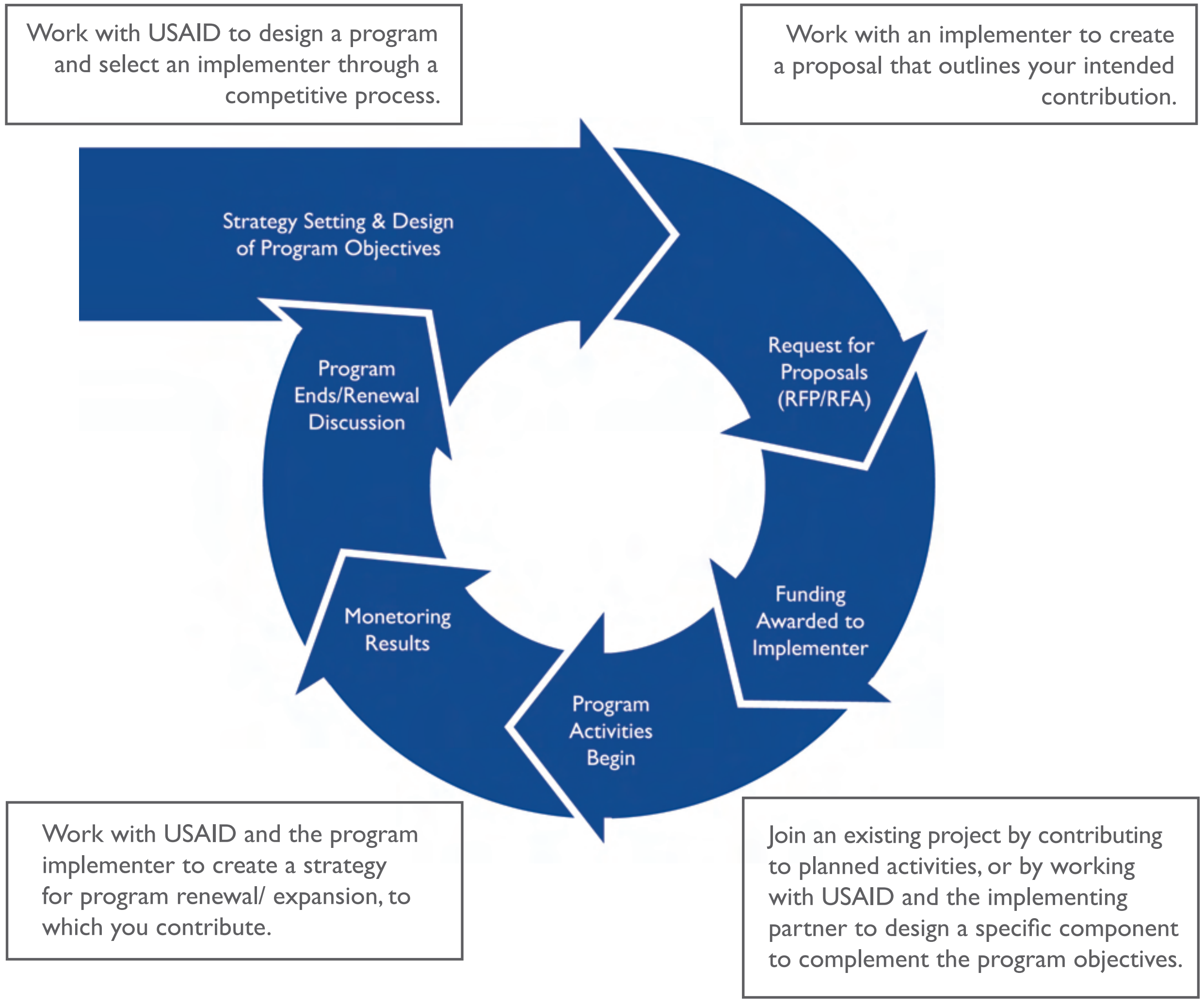
One option is to work with USAID Washington, USAID missions, and implementing partners as they set budgets for the coming year (find relevant contact details in **Appendix C**, pg. 26). While USAID does not set aside specific funds for partnerships, investment in cocoa supply chains, for example, could be included in USAID's economic, trade, or agriculture budget.

Because USAID budgets are often tied to political priorities, consider linking your project to existing special initiatives with significant, multiyear funding, such as the President's Emergency Plan for AIDS Relief (PEPFAR). Early strategic planning can reduce the time associated with partnership formation, and reduce the chance that a USAID mission has already allocated relevant funding.

EXPLORE TIMING OPTIONS FOR ENGAGEMENT

Companies can enter into partnerships with USAID at many stages of a program's life cycle (see Diagram 1, below). Talk to your USAID contact to determine the opportunities that may exist for you at different stages, and the positive and negative aspects of becoming involved at each stage. For example, joining an existing alliance is often easier than creating an initiative from scratch, but your level of involvement and strategic direction may be more restricted.

DIAGRAM 1: USAID PROGRAM LIFE CYCLE AND STAGES FOR ENGAGEMENT



"Coca-Cola doesn't have a business without water. There is no other ingredient more important than the water that goes into a beverage."

— Denise Knight,

WADA Manager, The Coca-Cola Company

"One secret to WADA's success was the sophistication of Coca-Cola's internal staff on water-resources management, development issues, and the realities of developing countries."

— Sharon Murray,

WADA Manager, USAID


AFP

CASE STUDY: WATER AND DEVELOPMENT ALLIANCE (WADA)

In 2005, The Coca-Cola Company and USAID created the Water and Development Alliance (WADA) with the Global Environment & Technology Foundation (GETF) to help Coca-Cola fulfill its water stewardship goal to return to nature and communities an amount of water equal to what the Company uses in its beverages. The alliance does this by supporting healthy watersheds and sustainable community water programs. WADA also supports USAID's commitment to improve water supply and sanitation services, water resources management, and the sustainable management of watersheds in developing countries worldwide.

A PERFECT STORM: CREATING THE USAID PARTNERSHIP

The Coca-Cola Company began tracking water-efficiency measures several decades ago, but in 2003, in its Form 10K report to the U.S. Securities and Exchange Commission, the Company identified water quality and quantity as a substantive risk to the business. Greater understanding of this risk led to focused risk mitigation efforts and a commitment to water stewardship, including improved plant efficiency (Reduce), treatment of all process wastewater to high international standards (Recycle), and support for healthy watersheds and sustainable communities (Replenish).

Following that, the water team in USAID's Economic Growth, Agriculture, and Trade Bureau and the Environment and Water Resources department at Coca-Cola began discussions, and a perfect storm of circumstances combined to support the formation of a global alliance:

- Coca-Cola: In addition to overall senior management's commitment to water stewardship, the company's Environment and Water Resources team was led by a former USAID senior manager who was familiar with the USAID GDA model, knew the right place to send his colleagues within the agency, and committed key staff to the partnership development process.
- USAID: Strong support and engagement by water team staff members helped drive the partnership formation process. A champion from within the team facilitated initial outreach and relationship building with missions about the opportunity and helped GETF develop the original technical proposal for the alliance.

SUCCESS FACTORS: BUILDING A STRONG FOUNDATION FOR EXPANSION

A great deal of time and energy went into the formation of a robust Coca-Cola-USAID relationship. In addition to focusing on trust and mutual respect, Coca-Cola and USAID spent a lot of time getting to know each others' idiosyncrasies and constraints to gain an understanding of how best to work together. GETF was helpful as a partnership facilitator and manager during the critical relationship-building and concept-development phase. Communications guidelines, budgeting and reporting systems, and organizational cultures varied greatly. The time invested in gaining an understanding of these differences paid off in avoided frustration and the formation of a strong foundation that allowed the relationship to grow over time.

The creation of a strong process to promote local ownership and identify "internal" financial resources also contributed to WADA's rapid expansion. Because the majority of USAID funds are programmed at the mission level, it was essential to ensure local project development and implementation. For Coca-Cola, the global and regional Coca-Cola foundations provide much of the funding support for philanthropic, community-based water initiatives. WADA has established a process inviting USAID missions and Coca-Cola business units to express interest in partnering. Projects are designed and proposed by NGO implementing partners and must receive approval by both parties, thereby establishing critical local relationships before funding is dispersed and activities begin.

These investments paid off: Launched with just US$2.5 million dollars in 2005, by 2009 the alliance had a combined investment of US$28.1 million, with active programs in 22 countries in Africa, Asia, Latin America, and the Middle East.

5. NAVIGATING THE LOGISTICS: THE USAID ALLIANCE FORMATION PROCESS

In Short:

- Clarify roles and responsibilities.
- Make initial contact with USAID.
- Define shared alliance objectives.
- Determine funding mechanism.
- Solidify the alliance.

Remember:

Just as USAID processes seem confusing to you, so, too, are corporate processes to USAID staff. Explaining your internal processes, business motivations and constraints, and management structure will help USAID better serve your needs.

istockphoto

Partnering with the public sector provides myriad benefits but it also involves administrative requirements that can be complicated and time consuming. USAID has streamlined this process by training missions and operating units to maximize the efficiency of internal processes related to partnerships. This section offers suggestions for navigating alliance formation logistics effectively.

CLARIFY ROLES AND RESPONSIBILITIES

It is critical to remember that all alliances are people driven. Individual champions drive progress and generate impact at every point of engagement within the company, resource partners, and the project implementer.

Each partner organization has various roles and responsibilities. There are also nuances within organizations, such as the different roles played by USAID missions and Washington operating units (see **Table 2**, pg 21).

Companies bring resources, skills, and market links to transform traditional development projects into dynamic partnerships that can also benefit the private sector.

A company champion will:

- Conduct a materiality analysis of the company's value chain with a development lens to identify strategic intersections.
- Sell the partnership and associated activities internally, from the headquarters to the local/regional level.
- "Interpret" USAID and other partners for colleagues.
- Coordinate local and regional business unit staff to ensure their engagement.
- Facilitate access to and training on the company's relevant products, services, and skill sets for community members, implementing partners, and other relevant stakeholders.
- Prioritize market access for program participants when relevant.
- Identify opportunities to contribute company resources other than cash.
- Mobilize corporate communications teams to publicize the objectives, activities, and impact of the alliance.

Implementing partners manage the implementation of project activities associated with the partnership.

An implementing partner champion will:

- Oversee implementation of all activities on time, to budget, and in pursuit of identified objectives.
- Measure and report on impact achieved to support internal and external communications about the partnership.
- Facilitate relationship between company and donor agency, such as USAID.
- Foster a close relationship with your company's local and headquarters staff to share successes, challenges, and future opportunities.
- Identify unexplored business and development opportunities for additional phases of the project or new projects.

Donor agencies such as USAID bring resources and expertise to help companies understand and address critical development needs and priority issues at a country level.

USAID will:

- Create and disseminate accessible information about development strategies and intersections with business to promote partnerships.
- Engage with companies to identify shared development priorities.
- Provide technical analysis of ideas from a development perspective.
- Facilitate access to relevant people and departments within USAID.
- Coordinate oversight and logistical requirements for the partnership, such as the selection of program implementers and applications for funding, with transparency and efficiency.
- Ensure that development interests are preserved alongside business strategy objectives.

USAID, Rebecca Acuna

TABLE 2: USAID DEPARTMENTS AND ROLES

Missions	**Regional Bureau**	**Technical Bureau**	**Office of Development Partnerships/ Private Sector Alliances** (a.k.a. GDA)
86 country-level Africa/East Africa/Southern Africa/West Central America (ROCAP) Regional Development Mission/ Asia (RDMA)	Asia Africa Europe and Eurasia Middle East Latin America and Caribbean	Economic Growth, Agriculture, and Trade Global Health Legislative and Public Affairs	
1st Contact: Regional Alliance Builder	**1st Contact:** Regional Alliance Builder	**1st Contact:** GDA Washington	**1st Contact:** GDA Washington
Role: • Set country- and regional-level strategies and disperse funds within those guidelines. • Help determine relevance of project and whether funding exists. • Make decisions about funding. • Support the identification of implementing partner. • Support and manage project implementation.	**Role:** • Provide Washington-based desk support to country and regional missions. • Can provide limited background on country and region priorities and potential funding areas. • Facilitate access to mission staff through country-specific desk officers.	**Role:** • Provide Washington-based technical and strategic direction to missions. • Champion or veto power over technical quality of partnership proposal. • Facilitate access to technical staff at missions. • Can assist in technical components of program design.	**Role:** • Division tasked with overall oversight of GDAs throughout USAID. • Identify strategic missions or regional bureaus to target based on shared priorities. • Facilitate initial contact at the region and mission level. • Help navigation of alliance formation process. • Develop tools for partnership. • Collect/share best practices. • Manage global frameworks.

What to Take to USAID on Your First Visit

- An understanding of your business objectives, expectations, and potential constraints.
- An identified country or region and/or issue area.
- An estimated contribution amount.
- A basic explanation of company internal processes as they relate to a partnership.
- A basic understanding of USAID mission strategic objectives (posted on mission websites).

Example Preliminary Questions:

1. What countries or issue areas do you suggest given our focus?
2. Can we join an existing project?
3. Is our chosen issue a high a priority?
4. What implications might this have for our budget?
5. How would you describe success for programs like these? What are the main challenges?

USAID/Guatemala

- Enforce robust impact measurement to enhance the business and development case for continued and expanded alliances.
- Support communications efforts of companies and recognize company contributions through public events.
- Facilitate opportunities for the replication, expansion, and continued funding of successful projects.

INITIAL CONTACT

Initial contact with USAID can be used to discuss engagement strategy, potential alliance concepts, focus countries, and partners. USAID staff can help provide insight into Washington, regional, and local priorities, and can assist in finding the best intersections between the agency's work and yours.

*** Contact with USAID can begin through a number of actors:**

- **USAID mission:** If you have identified potential focus countries and program objectives, start with the Regional Alliance Builder in your target region. The majority of budget allocation occurs at the local level, so it makes sense to start here if possible. Most country and regional missions have a designated "Alliance Builder" or GDA point of contact that can help with partnership building. See **Appendix C**, pg. 26, for contact details.
- **Implementing partner:** If you have identified an implementing partner, this partner can facilitate your introduction to USAID at the local level, and often at the Washington level as well.
- **USAID Washington division or bureau:** GDA and technical bureaus (see **Table 2**, pg. 21) can help you think through potential engagement areas and can facilitate contact with missions. If your initial meeting is in Washington, request that both ODP/PSA and a representative from the relevant technical bureau participate. This will ensure that you hear both perspectives, and will help prevent the need for additional meetings in the future.

At the conclusion of your first meeting, you should have a clear understanding of the next steps. You should also be sure to identify your primary point of contact as the partnership discussion moves forward.

DEFINE SHARED PARTNERSHIP OBJECTIVES

Ideally, you will have determined your internal objectives for the potential partnership ahead of discussions with USAID. Share these objectives with your USAID contact and work together to find the commonalities between your priorities.

USAID objectives will determine how much money is available. All USAID bureaus are subject to their current funding strategy (determined every two to five years). These strategies dictate which issue areas will be funded. If an issue area is not allocated funding at a mission, or the funding allocation has already been dispersed, you may not be able to implement your desired project in partnership with that mission.

Another option is to join an existing project on a relevant issue area that already has funding allocated funding (See "seek opportunities to join an existing USAID program," page 19). Missions often allocate significant funding to strategic multiyear initiatives. It is often the case that implementers have some flexibility on program activities, and significant private-sector cost sharing is a strong motivator for engagement. Talk to the mission in the region you have identified to see if these opportunities exist.

Before you get to the conversation stage, research what the priorities are and where by browsing mission, regional bureau, and technical bureau websites. See **Appendix C**, pg. 26 for details.

DETERMINE FUNDING MECHANISM

USAID funding is dispersed through either a grant or a contract and can be allocated to both nonprofit and for-profit organizations, although the process is generally considered easier for nonprofits. Grants and contracts are awarded based on a competitive process. The most relevant processes below.

SOLIDIFY THE ALLIANCE: THE MEMORANDUM OF UNDERSTANDING (MOU)

Once an alliance is accepted or awarded, a formal MOU is drafted with USAID and reviewed by the company for approval. The MOU sets out shared objectives, roles and responsibilities, governance structure, implementation details, and intended funding levels. The MOU also includes legal details, such as the validity period of the MOU and the terms of revising the document.

The MOU is not a legally binding document but serves to solidify and clearly define alliances between USAID and company partners. The MOU must be approved by the legal department of the company and of USAID.

TABLE 3: ALLIANCE FUNDING MECHANISMS

In order of shortest to longest timeframe

Alliance Mechanism	Process	Pros	Cons
Existing USAID Program ("Embed")	Private sector contributes funding or in-kind resources for an existing USAID program.	• USAID has already approved funding, so process is fast. • Existing project infrastructure. • Likely to see quicker results.	• Project activities may be largely predetermined, potentially limiting the strategic linkage to company objectives.
Gift Authority	Private sector donates money to USAID, earmarking it for a specified purpose, country and issue area. USAID directs spend down as specified by donor.	• Easy financial approval process. • You can specify where you want money to go (issue or geographic areas, or into existing programs). • Simplify internal accounting processes by treating like traditional donation.	• Relinquish programmatic and administrative control. • Legal requirements and reviews can be time consuming. • Could limit opportunity to directly participate in project activities. • No option to change use of funds over time.
Application via Annual Program Statement (APS)	Implementer or private sector donor submits application for funding to USAID mission. Usually follows a parallel funding structure: USAID and company both fund the implementer.	• Satisfies required competitive bid process. • Flexible level of involvement by company. • Opportunity for high level of engagement in program design, objectives, and activities. • Limited logistical burden.	• Potential that control over objectives and activities will be limited. • Implementing partner cannot make profit on proposed activities. • Less technical direction and control over implementers once grant is awarded.
Joint Solicitation (RFA or RFP)	USAID and company create a joint solicitation for applications based on shared objectives. Full participation of company in applicant review process. Parallel funding structure as above.	• Opportunity to choose implementer from a group of applicants based on their capacity and project idea. • High level of input and engagement in the design and direction of project.	• Lengthy and potentially complex and highly regulated process. • High logistical burden. • Significant advance planning required.
Collaboration Agreement	USAID funds company to do development work; for example, Starbucks implements a program to help farmers in Rwanda make higher quality coffee.	• Private sector retains program and administrative control. • Fewer regulatory requirements than a traditional award. • Joint planning and strategic design.	• Extremely long process. • High logistical burden. • Not a commonly used mechanism at USAID. • Legal requirements and reviews can be time consuming to process.

APPENDIX A: DEFINITIONS AND ABBREVIATIONS

Alliance
A one to one public private partnership between USAID and a private resource partner (including companies, foundations, membership organizations). A USAID alliance strives to create a win win win situation where strategic business and development objectives are pursued concurrently to achieve sustainable impact.

Alliance Builders
USAID staff with specific skills or responsibilities to help companies build alliances with USAID. Alliance Builders work in the Office of Development Partners at USAID headquarters in Washington, D.C., in technical bureaus throughout the agency, and in regional and country missions globally. Some Alliance Builders' work full time to build alliances, while others work on partnerships in addition to other responsibilities.

Annual Program Statement (APS)
The Annual Program Statement is a broad solicitation issued by ODP/PSA (see below) on behalf of USAID missions and operating units through which NGOs and their corporate partners can apply for grant funding for partnerships.

Global Development Alliance (GDA)
The Global Development Alliance is USAID's market-based business model for partnerships between the public and private sector to address jointly defined objectives. Alliances are co designed, co funded, and co managed by partners so that the risks, responsibilities, and rewards of partnership are equally shared.

Implementing Partner
An organization, for profit or nonprofit, that receives funding from USAID and its partners to implement the activities associated with an alliance.

Memorandum of Understanding (MOU)
A non-legally binding agreement between USAID and a company that defines shared objectives and goals, roles and responsibilities, implementation details (including funding levels, decision-making processes, governance structure, reporting requirements, and intended evaluation mechanisms), and legal details (including the MOU's validity period and any terms for revision). MOUs can also outline branding requirements and public relations plans. Implementing partners or local governments can be included on the MOU.

Non-Governmental Organization (NGO)
Organizations that are independent of government, sometimes referred to as civil society organizations. NGOs can be for-profit or nonprofit, and often work on issues related to social change or advocacy. In this guide, the term "NGO" is used predominantly to describe organizations that receive funds from USAID to implement activities.

Office of Development Partnerships/ Private-Sector Alliances Division (ODP/PSA)
ODP/PSA is the USAID department tasked with supporting the creation and management of public-private partnerships in the GDA model. ODP/PSA has a service staff based in Washington, D.C., and manages a network of alliance builders (see above) that are focused on specific regions.

Request for Application/Request for Proposals (RFA / RFP)
An invitation for implementing partners to submit an application or a proposal to USAID for project funding. Such invitations are explicitly tied to USAID mission or bureau strategy, and when an RFA or RFP is issued, the agency has already set aside funds for the costs of anticipated activities. Applications lead to contracts on which an implementer can realize a profit. Proposals lead to grants on which an implementer cannot realize a profit.

Resource Partner
A public or private sector organization that contributes resources (cash or in kind) to a partnership.

Sustainability
Broadly, sustainability refers to the endurance of a project or endeavor over time. In reference to development initiatives, including environmental projects, this guide uses the term "sustainability" to refer to the lasting impact of activities, their contribution to economic development within a country or region, or the ability of local actors to maintain activities after donor funding ends. From a business perspective, "sustainability" can also refer to the long-term viability of markets, supply chains, products, and activities. This guide seeks to demonstrate how commitment to this kind of sustainability can help realize both development and business objectives.

United States Agency for International Development (USAID)
An independent agency that provides economic, development, and humanitarian assistance around the world in support of the foreign policy goals of the United States. For more information about USAID and its programs around the world, visit www.usaid.gov.

USAID Mission
USAID has field-based offices (missions) at the country and regional level around the world. USAID missions are frequently housed within U.S. embassies or consulates.

USAID Washington Operating Units (WOU)
Washington Operating Units are USAID departments based at agency headquarters in Washington, D.C. Regional Bureaus house country desk officers, regional technical experts, and program support staff that liaise regularly with missions. Technical bureaus include Global Health; Economic Growth, Agriculture, Trade; and Democracy, Conflict, and Humanitarian Assistance.

APPENDIX B: USAID PARTNERSHIP WORKSHEET

This worksheet serves as a summary of the guide's contents, with key points to remember and useful questions to ask yourself and potential partners.

1. Find the intersections between your business and development.

Based on your identified business challenge or opportunity, identify your priorities. Think about:

- Supply chain stability.
- Social license to operate.
- New market development.
- New customer outreach.
- Product differentiation.
- Workforce development.
- Community investment.

2. Determine an investment strategy to address the problem through partnership.
Identify your objectives: What do you want to achieve?

Identify how those objective overlap with development priorities as above.

Determine how much money would be required and where it might come from:

- Corporate foundation
- Philanthropy budget
- CSR and corporate affairs (also public relations, government affairs, community engagement)
- Supply chain management (also ethical sourcing, human rights, compliance)
- Local business units or subsidiaries
- Product and business development departments (also product development, emerging markets)

Think about how the partnership would best be managed: through which department, through headquarters or regional or local offices, and what type of skills would be required to manage the partnership within your company.

3. Find shared priorities.

Given your identified priorities and objectives, try to find the overlap with areas of priority investment for USAID (see Table 1, page 13):

- Agricultural supply chains.
- Disaster response and humanitarian assistance.
- Education and workforce training.
- Energy efficiency, conservation, water management.
- Market access and business enabling environments.
- Rule of law and transparent governance.
- Worker and community health.

Take your list of priorities to your first conversation with USAID to identify the intersections.

4. Identify success factors for making it happen.
What relationships do you need to build to make the partnership succeed?

Where is the money for the partnership coming from on the government side, the local level or the Washington, D.C., level? This is where you should target the majority of your engagement.

Think about how to incorporate the following success factors into your plan for partnership:

- Build strategic relationships.
- Drive local ownership of project activities.
- Start activities on a small scale, even if the vision is for something bigger.
- Build flexibility into your program model and timeline.
- Join existing programs. See if the issue you are con cerned about is already one that is being addressed by a USAID mission or potential partner.
- Link internal company planning processes to partner ship objectives, and work with potential partners to build shared objectives into their planning processes.

5. Navigate the logistics.
Remember that all partnerships are people driven. Finding a champion at USAID or an implementing partner organization will help push you through the logistics more smoothly.

Roles and responsibilities of different USAID offices and locations differ. Be sure you go to the right people with the right questions (see Table 2, page 21):

- Country and regional missions.
- Regional bureau (Washington Operating Unit).
- Technical bureau (Washington Operating Unit).
- Office of Development Partnerships/Private-Sector Alliances (aka GDA).

There are many different funding mechanisms for partnership initiatives with USAID (see Table 3, page 23):

- Co-fund existing USAID program ("embed").
- Gift authority.
- Application via annual program statement (APS).
- Joint solicitation for proposals or applications (RFA/RFP).
- Collaboration agreement.

APPENDIX C: USAID PRIVATE SECTOR CONTACT LIST

This contact list is relevant as of January 1, 2010.

Please visit: http://www.usaid.gov/our_work/global_partnerships/gda/ for updated contact details.

Office of Development Partnerships/Private Sector Alliances (also known as Global Development Alliance (GDA)

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GDA Staff	Rob Schneider	+1 202 712 1763	roschneider@usaid.gov
GDA Staff	Dr. James Small	+1 202 712 5286	jsmall@usaid.gov
GDA Staff	Gail Spence	+1 202 712 1311	gspence@usaid.gov
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USAID Missions

Africa/East	Regional Alliance Builder	Michael Kibinge	+ 254 20 8622000 Ext. 2850	mkibinge@usaid.gov
Africa/West	Regional Alliance Builder	Jonathan Petko	+ 233 21 741489	jpetko@usaid.gov
Europe and Eurasia	Regional Alliance Builder	Nancy Wildfeir-Field	+ 361 475 4994	Nwildfeir-field@usaid.gov
Central America (ROCAP)	Regional Alliance Builder	Gerardo Tablas	+ 503 2501 3469	gtablas@usaid.gov
Office of Middle East Programs	Regional Alliance Builder	Dave Besch	+ 2 (0)2 2522 6845	dbesch@usaid.gov
Regional Development Mission/Asia (RDMA)	Regional Alliance Builder	Michael Silberman	+ 662 263 7448	mSilberman@usaid.gov
Country Level Mission	USAID Mission Directory:		http://www.usaid.gov/locations/missiondirectory.html	

USAID Technical Bureaus

Economic Growth, Agriculture, and Trade	http://www.usaid.gov/our_work/economic_growth_and_trade/
Global Health	http://www.usaid.gov/our_work/global_health/
Legislative and Public Affairs	http://www.usaid.gov/our_work/democracy_and_governance/

Regional USAID Bureaus

Asia	http://www.usaid.gov/locations/asia/
Africa	http://www.usaid.gov/locations/sub-saharan_africa/
Eastern Europe and Eurasia	http://www.usaid.gov/locations/europe_eurasia/
Latin America and the Caribbean	http://www.usaid.gov/locations/latin_america_caribbean/
Middle East	http://www.usaid.gov/locations/middle_east/


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