

# Alliances Link Business and NGOs to Aid

Under the Global Development Alliance (GDA) business model, USAID is combining forces with nongovernmental and corporate partners. Two recent examples are when the Charles Stewart Mott Foundation funded an initiative with USAID to strengthen democracy in the Balkans, and when ChevronTexaco coinvested \$10 million for enterprise development activities in Angola.

“The GDA business model is one that we have embraced in the field. We are using public-private alliances to draw upon the unique assets and knowledge that other actors bring to development,” said USAID/Ghana Mission Director Sharon Cromer.

Most alliances are created and implemented by missions. The GDA Secretariat in USAID/Washington has provided support in outreach and training, and assistance in alliance building. In addition, the secretariat provides seed money to some new alliances through a small incentive fund.

The push toward public-private alliances can be attributed to a growing corporate

social responsibility movement, an increase in U.S. private philanthropy overseas, and the number of people born in developing nations who now reside in the United States.

Socially responsible mutual funds—whose assets reached \$160 billion in 2002—scrutinize company track records on labor, environment, and other issues. Nearly 10 percent of assets under management in the United States have been screened as socially responsible investments. For example, companies that invest in countries that abuse human rights or companies that produce tobacco face increased investor scrutiny and potential withdrawal of investment funds.

Oil companies such as ChevronTexaco seek to shore up the societies they work in to ensure stability a generation down the road. Often philanthropy and self-interest overlap. For example, Anglo American, a large global mining company recently announced it would provide antiretroviral drugs to its HIV-infected workers in South Africa.

Bill Gates, whose foundation has donated billions of dollars to fight HIV/AIDS and other epidemics, recently

**“Some within USAID were originally skeptical about the GDA. After learning about the many alliances being developed in the field—including the USAID-ChevronTexaco alliance in Angola—these former skeptics are now looking for ways to develop their own public-private alliances. I see the Agency changing and growing as we do this work.”**

USAID ADMINISTRATOR ANDREW S. NATSIOS

predicted a promising future for public-private collaboration: “Globally, we’ll see businesses, governments, and philanthropists work together in unprecedented ways to address problems that were once thought insurmountable,” he said.

USAID is helping immigrant groups in the United States to send remittances without excessive transfer costs. The goal is to maximize the amount of money available to improve the lives of recipients in developing nations.

With these new actors more involved in development, USAID is seeking to extend its ability to achieve international development and U.S. foreign policy goals. Holly

Wise, Director of the GDA Secretariat, said: “With other actors coming forward with vested interests in global development issues, this does not mean that the U.S. government should do less ... it means that we can do a whole lot more by working in concert with others.”

Ultimately, public-private alliances are about bringing together the strengths and resources of different groups to solve development problems.

U.N. Secretary-General Kofi Annan commented: “I hope corporations understand that the world is not asking them to do something different from their normal business; rather it is asking them to do their normal business differently.” ★

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