CENTER FOR TRANSFORMATIONAL PARTNERSHIPS

“We partner to end extreme poverty and promote resilient, democratic societies while advancing our security abroad.”
- USAID Mission Statement

PARTNERING FOR HIGH IMPACT DEVELOPMENT

Recognizing that no one organization or sector alone can solve the world’s most intractable development challenges, USAID seeks to build partnerships that leverage the combined skills, assets, technologies, and resources of the private, public, and nonprofit sectors. We partner with companies, non-governmental organizations, universities, social enterprises, think tanks, religious institutions, and diaspora groups because we understand that great ideas come from everywhere.

Today, more than 90 percent of financial flows from the United States to the developing world come from private sources, and the private sector is playing an increasingly critical role in driving sustainable economic development around the world. USAID is building dynamic, mutually beneficial alliances with global and local companies to foster economic growth, reduce poverty, and improve business outcomes in developing countries.

The Center for Transformational Partnerships (CTP), within the U.S. Global Development Lab (the Lab), leads and coordinates USAID’s efforts to build impact-driven partnerships with the private sector. The Center develops and tests new models for collaboration and provides a range of support to USAID Missions and Bureaus as they integrate partnership approaches into their work.
By building partnerships, we seek to fuel inclusive and sustainable economic growth, innovation, and job creation and achieve scalable, market-led solutions that can continue without ongoing foreign assistance.

The Center builds partnerships and engages the private sector in several cross-cutting areas to advance Agency priorities and support the Lab’s core goal of sourcing and scaling breakthrough development innovations:

**ENGAGING THE PRIVATE SECTOR: GLOBAL DEVELOPMENT ALLIANCE**

Established in 2001, the Global Development Alliance (GDA) is USAID’s flagship model for engaging the private sector and building public-private partnerships. These alliances are co-designed, co-funded, and co-managed, hand in hand with partners so that the risks, responsibilities, and rewards of a partnership are shared. GDAs use market-based solutions to advance broader development objectives through partnerships that align business interests with USAID’s development objectives; tap into private sector expertise, assets and resources; and employ scalable models that are cost-effective and sustainable.

**SPURRING ENTREPRENEURSHIP AND IMPACT INVESTING**

Entrepreneurs serve as critical drivers of economic growth; they generate jobs and pioneer innovative business models that advance development outcomes. However, they often lack access to finance, while investors often note a lack of investment-ready enterprises. By partnering with impact investors, incubators and accelerators, and business development service providers to provide financing and technical assistance to entrepreneurs, CTP is addressing this “pioneer gap.” The Partnering to Accelerate Entrepreneurship (PACE) initiative, for example, funds innovations that foster financially sustainable approaches to supporting and catalyzing private investment in entrepreneurs and early-stage businesses and unlock the potential of promising enterprises.

**PURSuing NEW FRONTIERS IN PARTNERSHIPS**

To advance and expand the Agency’s commitment to impactful development, CTP is exploring and incubating new partnership models and approaches for development. These strategic engagements aim to enhance USAID’s ability to deliver sustainable and inclusive development results where it is needed most. For example, USAID is tapping into the power of diaspora groups by engaging and partnering with diaspora entrepreneurs, innovators, investors, and philanthropic and volunteer groups to support and strengthen assistance efforts abroad and promote sustainable development in their countries of origin.

**CENTER LEADERSHIP AND CONTACTS**

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**USAID Partnership Results:**

- **1600+** Number of partnerships USAID has built since 2001.
- **$16+ billion** Estimated value of public and private funds mobilized through USAID partnerships.
- **$3:1 leverage** USAID has leveraged nearly $3 in partner resources for every dollar spent.

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Key Term: ‘Lab leverage’ is a program performance indicator for the U.S. Global Development Lab that captures commitments of funding and in-kind resources from a range of external non-USAID partners investing in shared development goals when working jointly with the Lab on a partnership, program or activity. The Lab’s leverage performance indicator includes: all cost-share contributions (from both public and private sector partners); all other contributions (from the private sector, the public sector, and other U.S. government agencies); and gifts (from foreign governments, private organizations, and individuals).