



**USAID**  
FROM THE AMERICAN PEOPLE



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# USAID PARTNERS

Private Sector Engagement

# Our Mission

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We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.



PHOTO: RUDY GHARIB, POWER AFRICA

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“If you truly want to help people in a long term, sustainable way, we need all of us working together in a partnership mode to find better solutions than we might come up with on our own.”

— Curt Reintsma, senior partnership advisor at USAID

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# USAID Partners

... to create a more secure and prosperous future for all.

At the U.S. Agency for International Development (USAID) we have a long history of working with the private sector on a broad range of issues where core business interests and objectives align with USAID development priorities. In today's globalized world, there are more opportunities than ever before for this kind of cross-sector collaboration. Recognizing that developing economies represent many of the fastest growing markets, customer bases and workforces, a growing number of private sector actors—including U.S. and global corporations, <https://www.usaid.gov/>

[documents/15396/usaid-partners-private-sector-engagement](https://www.usaid.gov/documents/15396/usaid-partners-private-sector-engagement)

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“USAID acknowledges that it doesn't have all the answers. The private sector has relationships and capabilities that we want to harness.”

— Jay Cody, senior alliance builder at USAID

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PHOTO: RUDY GHARIB, POWER AFRICA



PHOTO: KARAN VAD

# ENERGY ACCESS





Access to electricity means access to opportunity. It is the fuel that powers industry, creates jobs, increases incomes and builds and opens new markets. Energy brings schools into the 21st century and allows children to study after dark. It enables improvements in healthcare and food security, and plays an important role in promoting economic growth, improving health and reducing poverty, especially in marginalized and rural areas.

Yet despite the critical role of energy, 1.2 billion people—16 percent of the global population—do not have access to electricity. Many more rely on expensive and polluting energy sources such as kerosene, wood or charcoal.

Expanding access to modern energy services that power economic and social development is the cornerstone of USAID’s energy-related mission; it brings about broad-based growth opportunities while also lowering the barriers to doing business in our partner countries. The Agency partners with the private sector to catalyze investment in renewable resources and leverage the unique skills, perspectives and capabilities of the business community. Together, we are working to increase energy access for hundreds of millions of people around the world.



PHOTOS: POWER AMERICA

**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).

# Expanding Power Access in Nigeria

Power Africa, a U.S. Government-led initiative, has created a network of over 140 public and private sector partners, and 12 U.S. Government agencies committed to investing in Africa's future and developing power solutions to meet its vast energy needs.



PHOTO: RUDY GHARIB, POWER AFRICA



PHOTO: MATHEIU YOUNG, OFF GRID ELECTRIC

With a focus on strengthening the investment climate across sub-Saharan Africa, and increasing the capacity of African governments and utilities to develop and manage their domestic energy sectors, Power Africa is helping to enable and catalyze the investments of private companies across the continent.

One country with tremendous investment potential is Nigeria. In a country with per capita energy rates among the lowest in the world, Power Africa partner Black Rhino Group, a subsidiary of the American investment firm Blackstone, is working with the Nigerian construction conglomerate Dangote Group to invest in energy infrastructure projects that could transform the electricity market in Africa's most populous country.

In the northern region of Nigeria, for example, Black Rhino is developing a utility-scale solar photovoltaic power

plant that will provide upwards of 100 megawatts (MW) of electricity to a region that is desperately in need of power. And, in the southern part of the country, it is developing a gas-fired power plant and an associated transmission line. This project will significantly improve electricity supply when the plant is commissioned in 2021, and aligns with Black Rhino's goal to develop more than 3,000 MW of natural gas and solar generation capacity in Nigeria, Ethiopia, Djibouti and other African countries.

"Power Africa has demonstrated how the U.S. Government can bring together partners in an unprecedented way to help the private sector make sound investments in Africa that not only promote development, but that also create opportunities for American investors," says Sean Klimczak, senior managing director at Blackstone. "This model makes doing business

in Africa significantly more efficient, and generates new revenues for the U.S., while promoting U.S. security interests and, more importantly, building transformational infrastructure across the African continent." ■

Power Africa has mobilized more than \$54 billion in additional commitments from public and private sector partners.

PHOTO: MATHEIU YOUNG, OFF GRID ELECTRIC



# Investing in Renewable Energy in Sub-Saharan Africa

USAID and CrossBoundary Energy, a U.S.-based frontier market investment firm, are working together to provide businesses with a new model for energy services. The solution finances solar installations that serve enterprises in sub-Saharan Africa, increasing access to electricity and driving adoption of renewable energy technology—primary goals under the U.S. Government-led initiative, Power

Africa. For the first time, African businesses have access to an “energy as a service” model, whereby they can pay a monthly tariff for their power and avoid the large upfront capital costs of solar energy installations. In this way, CrossBoundary enables enterprises to afford reliable solar energy systems and to save their investment dollars for expanding business lines and growing their employee base.

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CrossBoundary Energy completed one of the largest solar “energy as a service” installations in sub-Saharan Africa.

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PHOTO: POWER AFRICA

PHOTO: RACHEL COUCH / POWER AFRICA



To support the CrossBoundary model, USAID's Office of Private Capital and Microenterprise (PCM), with support from Power Africa, created an investment structure through which \$1.3 million in grant funding was leveraged to attract \$7.5 million in private sector equity and up to \$10 million in debt. Once fund investors are paid back their principal investment in the fund, the U.S. Government will receive the entire grant amount back plus a capped return.

“USAID's CrossBoundary Energy partnership used existing Agency tools in new and innovative ways, catalyzing investment into modern energy facilities



PHOTO: IRENE ANGWENYI / USAID KENYA

by gearing these tools more towards the needs of private capital and investment managers,” said Cameron Khosrowshahi, private enterprise officer at USAID.

As part of this work, CrossBoundary Energy completed one of the largest solar “energy as a service” installations in sub-Saharan Africa, powering a mixed commercial and residential development in Nairobi. This demonstration fund is expected to complete 20-25 installations for a total of 15 megawatts of renewable power over its lifetime and lead to larger investment vehicles in the future. ■



PHOTO CREDIT: USAID/GLOBAL HEALTH

# GLOBAL HEALTH





Over the last 50 years, the world has made remarkable progress in improving global health outcomes. We have won the fight against smallpox, nearly eradicated polio and dramatically scaled access to new vaccines. Yet, despite undoubted health advances in many areas, poor health remains a constraint on development efforts, hindering productivity and economic growth. This year, nearly 6 million children will die before their fifth birthday, and more than 300,000 women will die from complications associated with pregnancy and childbirth—mostly from diseases or complications for which there are known, affordable treatments. Diarrhea, malaria, tuberculosis and HIV/AIDS will contribute to the deaths of millions more.

USAID is committed to ending preventable maternal and child deaths, creating an AIDS-free generation and protecting communities from infectious disease, but we cannot do it alone.

Through partnerships that harness the expertise, technology and resources of the private sector, USAID is expanding the effectiveness, reach and impact of our programs. Together, we are working to strengthen local health systems, increase access to health services and information, and develop life-saving interventions.



PHOTOS: THOMAS CRISTOFOLETTI FOR USAID

# Life-Saving Solutions in Nepal

In Nepal, one in 28 children dies before their fifth birthday, with more than half of those deaths occurring within the first 28 days of life. Many of these infants die from preventable and treatable infections of the umbilical cord.

“Our job is about helping to save lives,” said Elizabeth Fox, deputy coordinator of child and maternal survival at USAID. “And partnering with the private sector is absolutely vital to ending preventable child and maternal deaths.”



PHOTO: THOMAS CRISTOFOLETTI FOR USAID

Working with local pharmaceutical manufacturers—Lomus Pharmaceuticals and SR Pharmaceuticals—the government of Nepal, and other partners, USAID supported the development of a simple, life-saving intervention: chlorhexidine antiseptic gel. When applied to the umbilical cord of a newborn, this easy-to-use gel can reduce infant mortality by 23 percent.

By producing the chlorhexidine gel locally, the Nepali pharmaceutical manufacturers help keep costs low while also building in-country support, two factors that are critical to the program’s success and sustainability. Today, the government of Nepal provides expectant mothers with a single dose tube of chlorhexidine gel, free of cost. Combined with vigorous

“This product has the potential to make a global impact on infant mortality rates.”

— Elizabeth Fox, deputy coordinator of child and maternal survival at USAID



PHOTO: THOMAS CRISTOFOLETTI FOR USAID

public outreach and education through Nepal’s system of voluntary community health workers, use of the antiseptic gel has spread widely throughout the country, helping to save thousands of newborn lives.

“The work we do engages people at a vitally human level. We care about moms and babies,” said Elizabeth. “We

care deeply about these economies, and engaging the private sector helps us help people lift themselves into a place where they will not only survive, but thrive and transform the countries they live in.”

Following the success of the program in Nepal, USAID plans to introduce chlorhexidine in 15 other countries. Additionally, Lomus Pharmaceuticals is now exporting the gel tubes to Nigeria, which is implementing its own chlorhexidine trials. ■

“The private sector has been vital to helping us create these solutions.”

— Elizabeth Fox, deputy coordinator of child and maternal survival at USAID

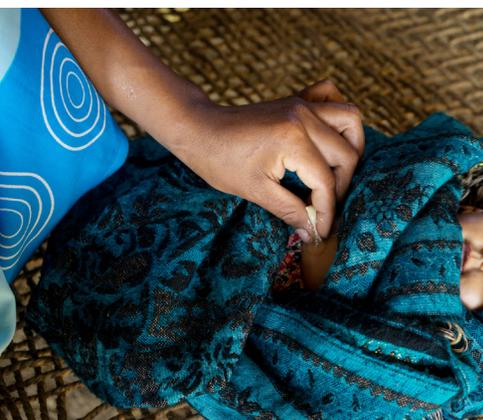


PHOTO: THOMAS CRISTOFOLETTI FOR USAID



PHOTO: THOMAS CRISTOFOLETTI FOR USAID



PHOTO: USADIEL SALVADOR

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# GOVERNANCE

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Democratic governance and human rights are critical components of sustainable development and lasting peace. USAID promotes political freedom as an integral part of development, including programming focused on strengthening and promoting human rights, accountable and transparent governance, and an independent and politically active civil society.

As USAID recognizes that international development and democracy objectives cannot be achieved without a vibrant and robust private sector, we are partnering with the business community to leverage its unique skills and capabilities.

Through cross-sector partnerships, USAID helps facilitate increased collaboration and trust between government, business and civil society in order to better protect the basic rights of citizens, foster greater accountability of institutions, promote the value of fair and open markets, and enable peaceful and prosperous growth around the world.



PHOTOS: USAID/EL SALVADOR

# El Salvador's ¡Supérate! Empowering Youth to Lead Out Loud

“¡Supérate! is the best opportunity to achieve a better quality of life and positively transform our environment. As ¡Supérate! students we can make a difference in our country.”

— ¡Supérate! student



El Salvador has one of the highest levels of non-political violence in the world and the highest homicide rate in the Americas. Crime and insecurity continue to be a major restraint to social development and economic growth, and high migration rates continue to be a priority concern. Children and adolescents face enormous vulnerabilities associated with high rates of crime and gang violence, including high rates of school desertion and limited employment opportunities. With few social ties, little opportunity and a real fear of crime and violence, relocation often seems a viable alternative to life in the region,

and social disorganization has led to massive out-migration, notably to the United States.

In El Salvador, USAID supports activities that provide educational and economic opportunities for vulnerable youth. Through public-private partnerships, USAID is working to address the drivers of violence and build resilience to make communities safer and more productive.

Programs like ¡Supérate!, a collaboration between USAID, Microsoft and the Sagrera Palomo Foundation, provide alternatives to crime, violence and

gang involvement by equipping high-performing, at-risk youth with the critical skills needed to help them make a successful transition to higher education or promising job opportunities after high school. Students receive training in computer skills and English, as well as learn leadership skills, problem solving techniques and conflict resolution. As a result, 100 percent of the program's nearly 2,000 graduates either continue with advanced education, or are employed at the time of graduation.

“At the beginning of the program, the kids are so shy and unassertive,” said Gerardo Tablas, regional public private alliance advisor at USAID’s mission in

El Salvador. “But when the program finishes, their mental attitude has changed. They work together with their peers instead of engaging in violence.”

After seeing the success of the ¡Supérate! program, other private companies in El Salvador established additional centers, and the model has been replicated in Panama and Nicaragua. Today, ¡Supérate! works through 10 centers that are helping 1,300 active students positively transform their lives and communities. “Despite the fact that the country has so many challenges, these youths see the future with confidence,” said Gerardo. “They want to stay in El Salvador and try to make it better.” ■



PHOTO: HANZ RIPPE FOR USAID/CO-ORBITA

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# FOOD SECURITY & NUTRITION

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Hunger and poverty are inextricably linked, robbing people of healthy and productive lives and stunting the mental and physical development of future generations. While the world has made enormous progress in reducing global hunger and poverty, nearly 800 million people across the globe will still go to bed hungry tonight, most of them smallholder farmers who depend on agriculture to make a living and feed their families.

Together, USAID and its partners are working to address the root causes of hunger and help millions of smallholder farmers develop the skills, tools and market connections they need to increase their productivity and profits.

Farmers today must be integrated into the full value chain of production—from farm to fork. Through Feed the Future, USAID leverages the talents and resources of a diverse set of partners—governments, donor organizations, civil society and the private sector—to build sustainable, market-based solutions to address challenges in food security and strengthen agricultural markets around the world. By enabling producers to better connect with national, regional and global markets, USAID is helping smallholder farmers lift themselves out of poverty while strengthening critical components of the American and global agricultural value chain.



PHOTOS: TOLIANO GLOBAL

# Moving From Process to Profits in Benin

Benin is the world's sixth largest producer of cashews, but more than 90 percent of the crop is exported without any added value such as shelling, roasting, seasoning and packaging. Benin's exporters and smallholder growers are missing out on significant value-added income that would result from in-country processing.



PHOTO:TOLARO GLOBAL



PHOTO:TOLARO GLOBAL

“Tolaro sheds light that inclusive business is good business.”

— Robert Leon, economic development consultant

Through its Feed the Future Partnering for Innovation (FTF-P4I) program, USAID is partnering with Tolaro Global, a recognized leader among primary processors of raw cashew nuts in West Africa, to establish the first cashew roasting and packaging facility in Benin. Tolaro's facility will supply American and European grocery stores with high-quality salted and roasted cashews, while also providing employment and income opportunities for 3,200 small-scale cashew farmers and employees working in value-addition processing.

With support from USAID, Tolaro will provide agricultural training to the farmers, assist them in becoming organic certified, and pay Fair Trade certified prices for raw nuts. As a result, farmer productivity, crop yield

and incomes are all expected to increase. In addition to the higher yields and price premiums, Tolaro will provide smallholder farmers the opportunity for profit sharing—a new model for the cashew industry and for Benin—via an equity stake based on USAID's contribution. The stakeholder model is designed to ensure an equitable partnership with a smallholder farmer base, and if successful, could serve as an example for other companies engaging smallholder farmers.

“Tolaro sheds light that inclusive business is good business,” said Robert Leon, economic development consultant to Tolaro Global. “Building relationships with suppliers, employees and customers is the path to sustainable development.”

Through partnerships such as this, USAID and the private sector are working together to connect smallholder farmers to the agricultural innovations, technology and knowledge they need to increase their productivity and incomes so they can sustainably feed themselves and their families. ■

Feed the Future  
has leveraged more  
than \$600 million in  
private sector capital  
investment to combat  
global hunger.



PHOTO:TOLARO GLOBAL



PHOTO: JACOB HANSEN/WIDOR

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# INCLUSIVE ECONOMIC GROWTH

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Broad-based economic growth, supported by a vibrant private sector, is essential to sustainable, long-term development. It creates opportunities for households to raise their living standards, provides countries with the resources to expand access to basic services and enables citizens to chart their own prosperous futures. USAID's economic growth programs also help build new markets for the United States by expanding trade and supporting the emergence of middle-class consumers that can buy U.S. goods and services. And we know that stable economies are less vulnerable to crises, terrorist activities and international crime.

However, the global economic crisis has slowed growth worldwide. Today, the expanding workforce far exceeds the number of new jobs being created, resulting in limited opportunities and widening inequalities. Three-quarters of the world's poor do not have a bank account, and access to capital remains a significant barrier throughout the developing world.

By partnering with the private sector to create business enabling environments and to mobilize investment and capital to underserved sectors, USAID promotes fair and open markets, increases access to finance, creates jobs, and helps to spur economic growth in the U.S. and abroad.

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PHOTOS: HANZ RIPE FOR USAID/COLMBIA

# Securing Loans and Livelihoods in Colombia



PHOTO: HANZ RIPPE FOR USAID/COLOMBIA

“Thanks to the loans, we are together in the same place and not moving from one place to another.”

— Karen Carantón

USAID is working with the Government of Colombia, the private sector and community groups to promote economic and social development efforts that improve the livelihoods of victims of violence and vulnerable groups, including the 7.8 million people that have been displaced from their communities and land.

Since 2010, USAID has partnered with *Bancamía*, a Colombian bank specializing in micro-finance, to extend access to credit to rural and conflict-affected families, and facilitate economic development in the region. Through its Development Credit Authority, USAID extended *Bancamía* a loan guarantee that has enabled the bank to issue \$36.8 million in loans to over 27,000 micro- and small-sized businesses in rural areas, providing much needed capital to finance growth, spur employment and increase incomes.



PHOTO: HANZ RIPPE FOR USAID/COLOMBIA

“Rebuilding our lives has been easier with *Bancamía*,” said Karen Carantón, a *Bancamía* client who had been displaced several times due to armed conflict. “If you take your loan and invest it in a plot of land, in a farm, or in a project, you can see the results and make progress. It is possible.”

Through microcredit loans, Karen has been able to grow her coffee business and increase her income by 30 percent over the past two years. For Karen, access to credit increased more than just her income, it also improved the quality of life and peace of mind for her entire family. After years of instability, the loans have made it possible for Karen and her family to settle in one place, keep their children in school and work together on their own plot of land.

“I’m proud of this couple,” said Carlos Andrés Ospina, a *Bancamía* representative who helped Karen and her family secure a loan. “They are one of the customers that I always talk about



PHOTO: HANZ RIPPE FOR USAID/COLOMBIA

within the bank because they dared to dream, they dared to believe and every day, I see the progress that they have made.” ■

“They have been able to expand their production and increase their profits. They have built a foundation for their families and homes.”

— Margarita Correa Henao, executive vice president, *Bancamía*



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