PARTNERING FOR IMPACT:
USAID AND THE PRIVATE SECTOR

USAID
FROM THE AMERICAN PEOPLE

Our Mission:

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

TABLE OF CONTENTS

04 **Foreword from Ricardo Michel**

05 **Why Private Sector Engagement**

06 **Partnerships by the Numbers**

08 **How USAID Partners with the Private Sector**

10 **Partnerships in Action**

10 Agriculture & Food Security

14 Energy Access

17 Education & Youth Development

20 Health

23 Climate Change

25 Water, Sanitation & Hygiene

26 Financial Inclusion & Innovation

28 Innovation & Entrepreneurship

31 Inclusive Development

34 **Fostering a Culture of Partnership**

> "If we're really going to transform [developing] economies and create opportunity for hundreds of millions of people who live on a dollar a day or below that, we need to engage private companies and reshape what's possible."
>
> —*Former USAID Administrator Rajiv Shah; Politico: Open Mike Interview, August 1, 2014*

FOREWORD

Engaging the private sector is key to achieving the U.S. Agency for International Development (USAID) development aims, and central to our newly reformulated mission: "We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity."

Because we recognize that international development and democracy objectives cannot be achieved without a vibrant and robust private sector, USAID is aggressively pursuing a model of development that prioritizes partnerships, and leverages the unique skills and capabilities of the business community.

USAID has partnered with the private sector since its founding in 1961. Since that time, our approach to collaborating with the business community has evolved and expanded as the development landscape has shifted. Today, 91 percent of financial flows from the United States to the developing world are from private sources, rather than official development assistance . The private sector is therefore a critical contributor to development progress, and key partner for USAID.

In response to this changing context, we have made partnering with the private sector more central to how we do business. Engagement with the private sector is an integral component of the Administration's key presidential initiatives, such as Feed the Future and Power Africa. Partnerships are a fundamental tenant of the U.S. Global Development Lab. Launched in 2014, the Lab is leading USAID's efforts to harness the power of science, technology, innovation and partnerships to accelerate development results.

In 2014, USAID engaged in more than 200 partnerships with the private sector. These partnerships have advanced core U.S. development and foreign policy priorities, such as increasing food security, ending preventable child deaths, providing access to power for millions of people in Africa, and advancing literacy in developing countries.

As we cannot feature all of this great work, this report highlights some of our most innovative and impactful partnerships from across USAID Bureaus and Missions. As you will read about, we are proactively engaging the private sector—tapping into business capabilities to fuel economic growth, innovation and job creation. To date, we have made much progress, but we know there is more work to do.

Today, 1.2 billion people still live in extreme poverty. To make a difference, we must all seek opportunities to unite our passion and abilities to tackle complex issues at a larger scale than any of us could take on alone.

We are committed to partnering strategically, and grateful to our partners highlighted in this report, and the hundreds of others working with USAID around the world to eradicate extreme poverty—a goal that is within our reach, now more than ever before, but will only be accomplished by working together.

—**Ricardo Michel,** ***Director,***
Center for Transformational Partnerships,
U.S. Global Development Lab, USAID

WHY PRIVATE SECTOR ENGAGEMENT

To achieve sustainable solutions to today's most intractable development challenges, collaboration is essential.

Recognizing this, USAID builds partnerships that leverage the combined expertise, assets and resources of the public, private and nonprofit sectors to deliver cost-effective and results-oriented development solutions.

USAID works with a diverse array of partners—including host country governments, civil society and faith-based organizations, global and local businesses, universities, foundations, non-governmental organizations and diaspora groups—that bring distinct proficiencies and knowledge toward creating sustainable development impact.

Among these partners, the private sector has a unique and growing role to play in global problem solving. USAID partners with the private sector where there is strong alignment between business interests and development objectives. In today's globalized world, there is increasing overlap between these aims, and more opportunities than ever before to work together in areas ranging from promoting sustainable agricultural development, to providing employment opportunities for youth, to increasing access to essential services such as healthcare, power, banking, and water, sanitation and hygiene.

For USAID, working with the private sector enables mobilization of private sector resources, expertise and market-based solutions to improve social and economic conditions in developing countries. For the private sector, partnering with USAID provides access to specialized know-how, support, and relationships that help advance business goals, fostering the economic growth and poverty reduction needed to sustain business and industry.

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Global Communities

PARTNERSHIPS BY THE NUMBERS

Since the conception of the Global Development Alliance, USAID has engaged in **1,500 private sector alliances**, leveraging more than $20 billion in public and private funds.

USAID public-private partnerships active in 2014 have an estimated value of over $2 billion in public and private funds.

$20 billion

$2

USAID's Development Credit Authority has unlocked

$3.7 billion in private local capital for entrepreneurs in the developing world

In the past year alone, DCA unlocked

$769 million

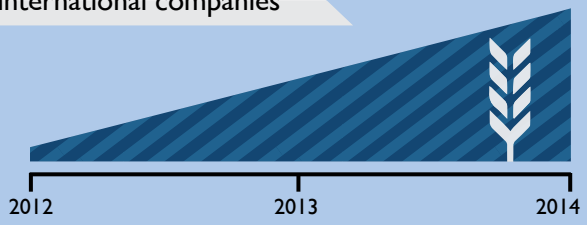
for businesses in developing countries

Since its launch in 2012, the New Alliance for Food Security and Nutrition secured

more than **$10 billion** in commitments and

more than **200** African and international companies

to promote sustainable agriculture across Africa



Responsible private investments have reached

3 million smallholder farmers

Power Africa has leveraged more than

$20 billion in commitments

from private sector partners

More than **4,000 Megawatts** (MW) worth of transactions for power projects have financially closed as part of Power Africa

HOW USAID PARTNERS WITH THE PRIVATE SECTOR

USAID works collaboratively with the private sector across nearly every sector and industry to find new solutions to global challenges. Partnerships may focus on achieving shared goals related to encouraging and supporting business growth in developing countries, increasing investment into sectors that are critical to development, or promoting adoption of sustainable and inclusive business practices.

In its partnerships, USAID may play a number of roles, including as a co-investor of resources; a convenor of diverse stakeholders to tackle an issue; and as risk-mitigator to facilitate investments.

Key ways USAID collaborates with the business community include

Building Public-Private Partnerships

USAID builds partnerships with local and international companies based on principles of shared interest and shared value—first defining a joint vision for success, and then co-creating a partnership that utilizes the respective strengths of the partners. USAID has learned that the most effective partnerships are founded on strong alignment between core business interests and USAID's development objectives, with shared resources, risks and responsibilities. The Global Development Alliance is USAID's flagship model for building public-private partnerships, focused on market-based solutions to deepen USAID's development impact.

Catalyzing Investment

Increased private capital flows to developing countries provide an opportunity to leverage private investments alongside traditional development assistance. Working with financial institutions, companies and other financial providers, USAID facilitates greater private investment in support of key development objectives in sectors such as energy, agriculture, and health. The Agency works with partners to tackle barriers to investment, and provide technical expertise and tools. These efforts can have a direct effect on the success of private sector initiatives by helping to overcome investment challenges and integrate development-focused approaches into investment strategies.

Mobilizing Local Capital

In emerging markets, 8 out of 10 small businesses cannot access the loans they need to grow. USAID's Development Credit Authority (DCA) uses risk sharing agreements to mobilize local private capital to fill this financing gap. DCA partial credit guarantees incentivize private lenders to extend financing to underserved markets, enabling promising entrepreneurs to obtain working capital, or allowing smallholder farmers to finance their inputs. Through this mechanism, USAID seeks to prove the commercial viability of these underserved markets to encourage additional local lending and investment.

Bobby Neptune/USAID

Engaging the Private Sector in Policy, Advocacy & Collective Action

Business has an important role to play in tackling complex, systemic challenges, such as combatting deforestation, sustainably sourcing agricultural commodities, and accelerating the transition from cash-based to digital economies. USAID convenes multi-stakeholder alliances—bringing together stakeholders from across industries and sectors to work together to solve broad societal challenges that also impact business. The private sector is also a key constituency and voice on many policy issues at the intersection of business and development, and USAID actively engages business in policy and advocacy efforts.

Spurring Innovation & Entrepreneurship

USAID seeks to harness the ingenuity, technological expertise, and research and development capacity of both large corporations and budding entrepreneurs to drive innovations that enable us to achieve development outcomes more quickly and cost-effectively. USAID does this in a number of ways, such as providing long-term capital to innovators and entrepreneurs through venture-capital style grant competitions; partnering with impact investors, incubators, and accelerators to provide financing and technical assistance to entrepreneurs; and working with corporations and others to take proven innovations to scale.

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PARTNERSHIPS IN ACTION

The following partnership profiles feature examples of usaid's work to engage the business community as a critical partner in fostering growth and fighting poverty across a range of sectors and geographic contexts. Highlighted are diverse models of partnering that leverage private capital, resources, ideas and technologies to deliver sustainable development impact.

AGRICULTURE & FOOD SECURITY

Through a host of efforts, such as Feed the Future, USAID is taking a comprehensive approach to strengthening agricultural systems, fighting hunger and strengthening food security at scale. The Agency does this by investing in cutting-edge research to develop stronger seeds and greener fertilizers; helping farmers access capital; producing specialized food products to treat and prevent malnutrition during emergencies; and accelerating access to mobile technologies and content that facilitate learning and access to real-time market information.

Partnership Profiles in Agriculture & Food Security

Catalyzing Investment in African Agriculture

Africa has the world's youngest and fastest growing population. This rapid growth has put a strain on existing food systems and created an urgent need for expanded economic opportunity. Research shows that investments in labor-intensive sectors such as agriculture are particularly effective at creating jobs and reducing poverty. Unprecedented, coordinated investment in Africa's agriculture presents an opportunity to bring about transformational change in the continent's agricultural sector, inclusive of smallholder farmers.

Established in 2013, *Grow Africa* is a key implementing partner of the *New Alliance for Food Security and Nutrition* that helps catalyze sustainable investment in African agriculture. This partnership platform aims to help encourage Africa's agricultural potential through private sector investments. The partnership leverages the resources, reach and expertise of the World Economic Forum, the African Union Commission, the New Partnership for Africa's Development (NEPAD) and multiple companies, financial institutions, civil society organizations and other donors like the Swiss Agency for Development and Cooperation (SDC) and The Sustainable Trade Initiative (IDH) to expand economic opportunity for smallholder farmers.

Grow Africa has secured commitments from more than 200 African and multinational organizations and is working closely with African governments to create country-specific actions for mobilizing investment, including reforming land policies, tax laws and trade barriers that impede agricultural investment, and building critical infrastructure like roads, irrigation systems, power plants and storage facilities. This partnership is also producing research and piloting new business models for engaging smallholder farmers; forging new collaboration between farmers' groups, companies and governments; and convening pan-African working groups to address the most complex challenges facing the sector, from extending credit to smallholder farmers to engaging women in key agricultural value chains.

In collaboration with the *New Alliance for Food Security and Nutrition, Grow Africa* has encouraged more than $10 billion in commitments from global and domestic companies, bringing them into the Alliance with host governments, development partners and civil society. It has also established powerful new partnerships between the public and private sectors that reduce risk and maximize the impact of agricultural investments.

Building Coffee Farmer Resilience

Since 2012, a fungal disease known as coffee leaf rust has devastated crops and stunted coffee yields throughout much of Latin America. While the disease has existed in coffee producing countries for decades and is present in some areas every growing season, it has spread to new areas and altitudes never seen before. The negative economic impact of coffee leaf rust is estimated to be more than $1 billion. The outbreak has been particularly devastating for the region's smallholder farmers dependent on coffee growing.

Photos by Root Captial

In 2014, USAID entered into a partnership with Root Capital, a nonprofit agricultural lender, and leading coffee companies including Cooperative Coffees, Equal Exchange, Keurig Green Mountain and Starbucks, to help smallholder coffee farmers combat coffee leaf rust. Together, the partners created the Coffee Farmer Resilience Initiative to extend critical support to more than 40,000 coffee farmers in Latin America. Through this initiative, Root Capital provides much-needed loans to farmer cooperatives so that their members can rehabilitate or renovate diseased fields and continue earning income.

At the Initiative's start, USAID backed Root Capital with a $15 million credit enhancement from the Development Credit Authority. Through this credit enhancement, USAID assumes 50 percent of the risk in the *Coffee Farmer Resilience Initiative's* loans to coffee cooperatives. Keurig Green Mountain, meanwhile, is covering the Fund's first $400,000 in potential losses. By limiting the risk other investors face, USAID and Keurig Green Mountain are lowering barriers to mobilize new private sector investment for Latin America's coffee farmers. Since launching the Initiative, Root Capital has already raised $8 million in additional capital from the Ford Foundation and Starbucks.

Fintrac Inc.

Root Capital

Empowering Women Farmers

Agriculture is a major source of income for many in the developing world, and women typically play a central role in the production of food for both their families' survival and income. Yet women are often excluded from key financial resources, land ownership and knowledge of new agricultural practices.

Walmart—a major customer of produce from smallholder farms around the world—is working to increase its sourcing from women-owned businesses and to help farmers and women access modern supply chains, increase their incomes and, in turn, contribute to the economic development of their communities. USAID seeks to improve the lives and livelihoods of farmers in developing countries, and Walmart aims to train one million farmers, at least 50 percent of whom will be women, by 2015. This creates a unique opportunity to collaborate and work toward shared goals and shared interests.

USAID's Bureau for Food Security, country missions and select Feed the Future implementers are partnering with Walmart to train more than 200,000 farmers in Rwanda, Zambia, Kenya, Ghana and Bangladesh. Through a $5 million contribution, Walmart is funding trainings on agricultural best practices and market linkages with a focus on reducing gender inequality in the sector and transforming farming into a key driver of economic growth.

For example, the partnership is supporting One Acre Fund, a local social enterprise, in helping 40,000 small farmers—28,000 of whom are women—in Kenya improve their practices and market access, doubling farm incomes from approximately $135 to $270 in one planting season. The *Women's Improved Marketing and Asset Control* project is empowering more than 22,500 women farmers in Zambia by teaching improved production and post-harvest practices, building leadership skills and facilitating market linkages between buyers, suppliers and service providers. Established in 2013, this USAID-Walmart partnership is targeting 135,000 farmers in Africa, including 85,000 women, and 40,000 women farmers in Bangladesh.

Cold Chain Alliance

Cold Chain Alliance

Strengthening Bangladesh's Agricultural Supply Chain

Nearly half of all people in Bangladesh depend on agriculture for their livelihoods, with most practicing subsistence farming on small plots, selling little surplus and consuming the remainder. Most high-value agricultural products grown in Bangladesh, including vegetables, meat and fish are sold directly to consumers without proper handling, packaging or refrigeration. This results in post-harvest loss rates of more than 40 percent; products that do reach market are of low quality and farmers earn lower prices on damaged goods.

USAID, together with Winrock International and the Bangladeshi food processing company Golden Harvest, is building Bangladesh's first integrated "cold chain." This network of refrigerated trucks and cold storage holding centers is helping rural farmers deliver their crops to market before they spoil. This *Cold Chain Bangladesh Alliance* (CCBA) is a simple intervention that will go a long way; USAID expects that the partnership will raise the incomes of more than 18,000 farmers in just three years, while increasing the availability of healthy, locally-produced food in stores and restaurants across the country.

The partnership's principal funder, Golden Harvest, is investing a minimum of $10 million in refrigeration units and storage facilities around the country, while USAID and Winrock have connected the company to the Global Cold Chain Alliance, an industry association that is providing valuable technical expertise and support in establishing and maintaining the cold chain. Meanwhile, Winrock International provides farm-based trainings to participating farmers to help them increase their yields and minimize post-harvest losses.

While still in its early stages, Golden Harvest has already established 20 cold storage units at collection centers in four locations and has contributed nearly 7,000 freezers and 30 refrigerated trucks. The project has created nearly 600 full-time jobs and increased the cumulative sales of participating farmers from $334,761 to $1,218,330 at the end of 2014, benefiting approximately 4,750 rural households.

ENERGY ACCESS

Expanding access to modern energy services is essential to USAID's goal of powering economic and social development. The Agency has focused its efforts on supporting the construction and rehabilitation of critical infrastructure; enhancing operational and commercial performance of related institutions, including utilities; promoting increased energy trade and regional power tools; and helping countries reduce carbon emissions and address climate change through clean energy projects.

Ben Edwards/USAID

Partnership Profiles in Energy Access

Expanding Power Access in Africa

Access to energy is a vital component of economic growth and reducing poverty, yet 600 million people—70 percent of the population—in sub-Saharan Africa live without electricity. To achieve USAID's development goals, power must be accessible, available and efficiently managed.

Power Africa brings together the strengths and resources of African governments, private sector investors and 12 U.S. government agencies (with USAID holding the secretariat position), with a shared goal of adding more than 30,000 megawatts (MW) of cleaner, more efficient electricity generation capacity as well as increase electricity access by adding 60 million new home and business connections throughout sub-Saharan Africa.

Since its launch in 2013, *Power Africa* has leveraged more than $20 billion from the private sector for new on- and off-grid projects in sub-Saharan Africa, meaning that every dollar the U.S. government has committed to Power Africa has leveraged almost three dollars in private sector investment commitments. Additionally, the African Development Bank, government of Sweden and the World Bank have contributed $9 billion.

As part of this ambitious initiative, USAID announced in October 2014 an agreement with donor-funded GuarantCo and Standard Chartered Bank to make available $90 million in new private sector financing for the power sector in Nigeria. With a partial credit guarantee through Development Credit Authority (DCA) and GuarantCo, Standard Chartered Bank will provide new capital to Nigeria's Zenith Bank for on-lending to the recently privatized energy distribution and generation companies.

Powering Agriculture

Also in 2014, GE Africa, the U.S. African Development Foundation and USAID announced 22 winners from the second round of the Power Africa Off-Grid Energy Challenge to promote innovative solutions that develop, scale or extend the use of proven technologies for off-grid energy and increase access to reliable, affordable and sustainable power. Selected from nearly 300 applicants, each winner received a grant of up to $100,000 to support the deployment of off-grid solutions that use renewable resources to power increased economic activity. These 22 join six round-one challenge winners.

Powering Agriculture

The United Nations estimates that the world will need to produce 70 percent more food by 2050 to feed the world's growing population, but many current agricultural systems are not able to support this level of production without inflicting serious harm on the environment.

To address this critical issue, USAID, the government of Sweden, the government of Germany, Duke Energy Corporation and the Overseas Private Investment Corporation (OPIC) have combined resources to create *Powering Agriculture: An Energy Grand Challenge for Development* (PAEGC). PAEGC challenges participants to submit solutions that integrate clean energy technologies and innovative business models while stimulating low carbon growth within the agricultural sector of developing countries.

In 2013, more than 475 organizations from 80 countries submitted ideas to the first round of the competition, and 11 finalists received between $800,000 and $1.5 million in funding to grow their concepts. One of the winning innovations proposed a village industrial power plant that produces energy from biomass waste to power irrigation, purify water and pasteurize milk. PAEGC anticipates this solution will help more than 5,000 farming families in rural Tanzania and Benin. PAEGC will award new funding to its second cohort in 2015.

PFAN-Asia

To ensure these kinds of innovations reach farmers throughout the developing world, PAEGC is developing an online platform to document lessons learned, promote effective technologies and business models, and foster continued engagement among stakeholders. PAEGC is also developing partnerships with public and private sector organizations to bring its energy and agriculture innovations to commercial scale and to integrate them into agricultural production and food security programs.

Financing Clean Energy in Asia

The countries of South and Southeast Asia include some of the fastest growing economies in the world. With such rapid growth comes an exponential increase in demand for affordable, reliable energy. Yet the realities of global climate change and the increasing competitiveness of clean energy technologies demand a shift toward cleaner, more sustainable sources of energy.

The *Private Financing Advisory Network-Asia* (PFAN-Asia) works to accelerate private financing for clean energy by providing a range of critical support to clean energy entrepreneurs looking to package their projects for investors. This support, which includes business plan competitions, strategic advisory and mentorship services and investment promotion and outreach, is aimed at projects that have struggled to obtain debt and/or equity financing in the past despite having a viable commercial business model. With *PFAN-Asia's* support, entrepreneurs and project developers are able to enhance their visibility to prospective investors and financiers, obtain financing and launch promising new clean energy projects.

To date, *PFAN-Asia* has supported over $280 million in clean energy investment, facilitated by less than $8 million in USAID financing. This private investment has funded, on a commercial basis, more than 23 wind farms, solar installations, biomass plants, micro-hydro systems, energy efficiency retrofits in commercial and industrial buildings, waste-to-energy systems, and other clean energy and energy efficiency projects.

EDUCATION & YOUTH DEVELOPMENT

Education is key to a better life and a stronger economy—it helps build resilient, democratic and healthy communities. Increasing the average level of higher education in a country by just one year can add half of a percentage point to GDP growth. USAID is expanding access to education in developing countries and strengthening workforce development programs for young people by engaging public and private sector partners to develop, test and scale educational technology solutions that improve reading and literacy skills for millions of children.

Partnership Profiles in Education & Youth Development

Leveraging Science and Technology to Advance Literacy

Kendra Helmar/USAID

If all students in low-income countries left school with basic reading skills, 171 million people could be lifted out of poverty. Education and literacy improve employment and economic opportunities and are essential to better health and safer, more stable societies. But UNESCO reports that 250 million children across the globe are not learning basic literacy and numeracy skills, and of these, 57 million are not even enrolled in school.

In response, USAID—along with partners World Vision and the Australian government—has launched *All Children Reading: A Grand Challenge for Development.* This global competition leverages science and technology to improve literacy skills in developing countries by advancing partnerships and soliciting ideas for creative, cost-effective innovations from the science, technology, education and broader development communities. Grant and prize competitions support innovative and scalable projects to improve early grade reading outcomes.

Launched in 2011, this $25 million initiative includes engagement from private sector organizations such as Orange and Intel. The first round competition received more than 450 submissions, resulting in 32 project awards to organizations and universities in 22 countries. As one example, Across Radio is providing low-cost, solar-powered audio players to help train reading teachers in South Sudan. And, in Armenia, Step by Step Benevolent Foundation is developing and testing literacy assessment tools for better instruction.

In 2014, a second round of the grant competition was launched, with 14 projects selected for funding, focusing specifically on mother tongue instruction and reading materials, family and community engagement, and children with disabilities. Additional competitions focus on production of software for advancing local language material development, tracking and tracing reading materials, and attracting technology-based ideas for delivering basic education, including literacy, in situations of crisis and conflict.

Supporting Higher Education for Disadvantaged Youth

Kenya has made great strides in extending basic education to all children, but only a small fraction of them go on to attend secondary school—an education gap that entrenches Kenya's poor. In November 2011, USAID partnered with Kenya-based Equity Bank, The MasterCard Foundation and other international donors to begin *Wings to Fly,* a five year public-private partnership to provide education and leadership development for some of Kenya's academically gifted, but economically disadvantaged and vulnerable children.

Wings to Fly covers secondary school tuition and provides mentorship, counseling, leadership development and career guidance, drawing heaving on Equity Bank's network of 167 bank branches for mentorship and support; branch managers are responsible for students in their communities. The program supports 10,337 children from 47 counties across Kenya, many of whom are orphans. Of these children, USAID is supporting 3,166 scholars through its $26.5 million contribution to the partnership. Recently, with growing local awareness of *Wings to Fly's* impact, the partnership has seen growing support from local governments, individuals and civil society.

Photos by Equity Group Foundation

Promoting Mobile Technology for Improved Learning

Despite many challenges to accessing and supporting quality instruction and education delivery in low-resource settings, the increasingly pervasive use of mobile phones and increased mobile device coverage provides valuable opportunities to support quality education delivery, including advocacy and coordination of multiple efforts to maximize the impact on learning outcomes.

Launched in 2011, the *Mobiles for Education (mEducation) Alliance* promotes and explores opportunities for mobile technologies—from e-readers and tablet computers to flash memory and micro/"pico" projectors—to improve education in formal and non-formal settings across all levels, especially in low-resource and developing country contexts. With initial funding from USAID, the Alliance brings together a wide range of U.S. Government agencies and donor governments—including Peace Corps and the Department of State, UK Department for International Development (DFID) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German development agency—with corporate foundations, professional associations and other international organizations, such as Norad, UNESCO, The MasterCard Foundation, World Wide Web Foundation, GSM Association, UNICEF, Inter-American Development Bank, Organization for American States, and the World Bank.

The Alliance sponsors a range of activities focused on the uses of mobile technologies for communities in developing countries. The Alliance is focused primarily on knowledge sharing, with a host of international workshops and symposia, research roundtables and seminar series for sharing of best practices and lessons learned from existing technology projects in the education space.

The *mEducation Alliance* working groups concentrate on specific focal areas, including improving reading and numeracy skills and youth workforce development, while the mEducation Alliance website serves as a knowledge-sharing portal for public and private organizations working in this space.

Creating Youth Opportunities in El Salvador, Guatemala and Honduras

USAID is working together with Glasswing International to establish support networks among youth, create safe and stimulating learning environments, and provide access to extracurricular educational and recreational activities. These activities will provide youth with the tools necessary to promote positive alternatives to crime and violence.

Glasswing International leverages private sector financial, in-kind and human resources to support the programs, promote leadership, self-esteem building and life skills development while also encouraging community and corporate participation through volunteering. The partnership is leveraging $5 million through this strategic alliance, with participation from multinational corporations including Chevron and Starbucks, as well as Ministries of Education.

This is the first time USAID has partnered with a local Central American organization for the implementation of a program on a regional scale. With the support of thousands of community volunteers, this partnership aims to physically transform more than 150 schools in El Salvador, Honduras and Guatemala into safer community spaces while mobilizing positive role models and community participation to ensure sustainability.

HEALTH

Over the last 50 years, child mortality rates around the world have declined by 70 percent. USAID's investments are combating maternal and child mortality as well as deadly diseases like HIV, malaria and tuberculosis; and have been paying dividends: USAID is empowering mothers to adopt healthy behaviors, developing and scaling innovative new health technologies, and equipping frontline health workers with the tools needed to improve the health of millions of people in the world's hardest-to-reach communities.

Partnership Profiles in Health

Securing Health in the Last Mile

Nearly 50 percent of Africans lack access to essential medicines, and despite the efforts of the development community, there have been persistent barriers to reaching the "last mile" —those in the most remote and hard-to-reach communities.

Project Last Mile is a public-private partnership that launched in 2010 to harness the resources and expertise of USAID, The Coca-Cola Company and its foundations, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), and the Bill & Melinda Gates Foundation. *Project Last Mile* is building the capacity of African governments to carry critical medicines and medical supplies to those who need it most.

Executed in collaboration with Yale's Global Health Leadership Institute, Accenture Development Partnerships (ADP) and the Global Environment & Technology Foundation (GETF), Project Last Mile uses Coca-Cola's core business capabilities, including more than eight decades of experience in logistics, supply chain and distribution, and marketing. Partner governments and parastatal organizations managing the procurement and distribution of essential medicines and medical supplies benefit from this knowledge, learning how to forecast demand for medicines and vaccines, better market the availability of commodities, optimize distribution routes, and ensure the cold chain equipment is maintained properly for storing certain medicines and vaccines.

This $21 million multi-stakeholder alliance is harnessing the power of the private sector to meaningfully impact health outcomes in low-income countries through core business expertise. Currently focused on Tanzania and Ghana, *Project Last Mile* aims to expand to include 10 African countries by the end of this decade.

Photos by the Coca Cola Company

Empowering Health Workers

Frontline health workers—nurses, midwives and community health workers—are often the first and only link to healthcare for millions in the developing world. They play a critical role in settings with weak or inaccessible primary healthcare systems. Recruitment, professional development, retention and support for these professionals is essential to reducing child mortality, improving maternal health outcomes and strengthening broader health systems. Unfortunately, these frontline workers face numerous challenges in obtaining and managing the tools needed to reach the most vulnerable populations.

USAID and the mHealth Alliance, along with 10 founding members such as UNICEF, Qualcomm, GlaxoSmithKline, Intel, Praekelt Foundation and others, together have formed *mPowering Frontline Health Workers*. This innovative public-private partnership is designed to improve child health by accelerating the use of mobile technology for training, job support, data collection and record keeping, among millions of health workers around the world.

Launched in 2014, this three-year partnership uses innovative crowdsourcing and digital development to build the capacity of governments, organizations and individuals to harness the power of mobile technology; support the scaling of mobile health applications for frontline health workers through country-based multi-stakeholder coalitions; and generate evidence and information on the use of mobile technology by frontline health workers to mobilize resources and improve the design of mHealth applications.

This year, approximately 3,000 frontline health workers will receive training and support through mobile devices, delivering health services to 1 million people in Ethiopia, India and Kenya.

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Improving Health through Digital Solutions

There is growing evidence that mobile health tools can support HIV/AIDS programming, particularly with retention and adherence to care. Along with the ubiquity of mobile phones in sub-Saharan Africa, and growing government prioritization of digital health in national health plans, there is a unique opportunity to improve health outcomes through the use of technology. However, enabling policy environments and capacity pose a challenge, and it is difficult for countries to bring coherence to multiple systems and applications and reduce the risks of investing. As a result, many digital health pilots are launched, but few reach scale.

Building on an existing collaboration between K4Health and HealthEnabled, as well as a partnership between Johnson & Johnson and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), USAID is partnering with these organizations to identify and facilitate digital health solutions that can work to eliminate new HIV infections among children, a critical PEPFAR goal. This partnership facilitates strategies, architectures and enhanced institutional capacity of partner countries to improve service delivery through the integration of technology, specifically working toward eliminating mother-to-child transmission (EMTCT).

Partner governments and in-country stakeholders, including PEPFAR teams, work together to identify and prioritize digital health opportunities. The initiative focuses on improving the coverage and quality of EMTCT programs through digital health efforts to increase knowledge of status, provision of antiretroviral treatment, infant testing and babies diagnosed at first birthday.

CLIMATE CHANGE

The effects of climate change are truly global, but pose a disproportionate risk to poor and vulnerable communities. The escalating frequency and intensity of climate shocks and stresses will have major impacts on the ability of developing countries to feed, protect, and support their growing populations. In response, USAID is mobilizing investments and building partnerships that help countries grow their economies while reducing greenhouse gas emissions, adapt to a changing climate, prepare for natural hazards, and sustainably manage their natural resources.

Partnership Profiles in Climate Change

Mitigating Risk for Greater REDD+ Investment

In 2014, the United Nations, indigenous communities and powerful multinational corporations pledged to halve global deforestation by 2020. This goal, if realized, would help to slow global climate change, safeguard the livelihoods of indigenous peoples and prevent devastating losses in biodiversity. But, without substantial investment from both the public and the private sectors, this goal is unlikely to be met. Reduced Emissions from Deforestation and Degradation (REDD+) allows governments and the private sector to voluntarily offset carbon emissions by investing in tropical forest conservation. Many private investors, however, have considered REDD+ be too risky for investments at scale at this early stage.

To address this challenge, in 2014, USAID announced a $133.8 million, 10-year Development Credit Authority (DCA) loan portfolio guarantee for the Althelia Climate Fund, the current leading investment fund for REDD+. Through this loan guarantee, USAID assumes 50 percent of the risk in Althelia's REDD+ investments and reduces other risks—ranging from carbon price fluctuations to challenges in project implementation. Through this partnership, USAID aims to spark large-scale private sector investment in combatting climate change and protecting forests around the world.

At the same time, these loan guarantees will help Althelia extend critical financing to hundreds of businesses that contribute to forest conservation and sustainable land management. By protecting forests and sequestering carbon, these businesses will then be eligible to earn carbon offset credits that can be sold on global voluntary carbon markets. The profit from the sale of these carbon credits will help to repay Althelia's initial loan.

With the backing of the DCA loan guarantee, Althelia raised over $150 million in its second round of financing, which concluded in December 2014. Over the 10 years covered by the DCA loan guarantee, Althelia expects that its REDD+ projects will protect tropical forests and reduce carbon emissions by an expected 100 million tCO2e—roughly the equivalent of the carbon dioxide emitted by nine million American homes or 18.5 million cars in a year. Further, Althelia and the USAID guarantee are helping to test the REDD+ concept at scale, creating a global portfolio of REDD+ demonstration projects that can help to legitimize the mechanism for future investors.

Richard Nyberg/USAID

Protecting the World's Forests

Every year, the world loses 15 million hectares of tropical forest to unsustainable logging, slash and burn subsistence farming, and clear-cutting for commercial agriculture. Roughly 50 percent of annual tropical forest loss is driven by the expanded production of just four commodities: soy, wood pulp and paper, palm oil and beef; and as much as 17 percent of greenhouse gas emissions are linked to forest loss.

USAID and the U.S. Department of State have led U.S. government engagement with a broad range of partners, including governments, civil society groups, and major multi-national companies, to form the *Tropical Forest Alliance 2020* (TFA 2020). *TFA 2020* has a bold goal: to dramatically curb global deforestation by transforming the production and sourcing of key agricultural commodities.

The Consumer Goods Forum (CGF), a network of manufacturers and retailers of consumer products including over 400 companies across 70 countries, is a key founding partner of *TFA 2020*. CGF recently pledged to reach net zero deforestation across its membership by 2020. This commitment, and those of other businesses, could have a profound effect as many of these companies are among the world's largest buyers of deforestation-linked commodities. Together, forward-thinking companies, such as Unilever, General Mills, Cargill and The Coca-Cola Company have the power to influence entire global supply chains.

TFA 2020 is reimagining the relationship between agribusiness and forests. In Brazil, partners are helping retailers and manufacturers work with commodity traders to source sustainably-produced soy. In Indonesia, the Alliance is working with smallholder farmers to help them meet new sustainability standards for palm oil production, while the government, palm oil companies and civil society groups are working together to set aside intact forest and shift future commodity production to degraded lands. The palm oil industry is relatively new but growing quickly in West and Central Africa, where *TFA 2020* partners are working together to outline a shared vision for sustainable, equitable and profitable palm oil development.

WATER, SANITATION & HYGIENE

Water is essential to health and food production, but nearly 800 million people lack dependable access to clean water and about 2.5 billion lack access to modern sanitation. USAID is building partnerships to scale technologies that provide millions of people with increased access to drinking water, sanitation and improved agricultural water management. This work focuses primarily on expanding access to water supply and sanitation to promote better hygiene and prevent disease; improving water resource management and equitable access through governance and regulations; and increasing water productivity in agriculture and industry.

Partnership Profiles in Water, Sanitation & Hygiene

Kelly Ramundo/USAID

Addressing Community Water Needs

Sustainable water resources are essential for healthy communities, economies and ecosystems, which is why USAID has joined forces with The Coca-Cola Company to create a unique partnership that addresses community water needs in developing countries.

The *Water & Development Alliance* (WADA) captures the support of the Global Environment & Technology Foundation (GETF) and its capacity in the water sector, as well as the commitment and reach of USAID, its missions and regional programs, and The Coca-Cola Company, its foundations and bottling facilities. Together, these partners are working to increase access to community water supply and sanitation services, foster improved behaviors in sanitation and hygiene, support sustainable water resources management and promote improved use of water for business activities and production. The partnership supports a range of approaches to offer lasting clean water and sanitation services. Some examples include the installation of hand-pump boreholes and water kiosks, improved sanitation facilities, hand-washing stations, and rain harvesters at schools and health care facilities.

Now in its 10th active year, *WADA* is having a positive impact in more than 30 countries around the world. It is expected to improve water supply for more than 600,000 people and place more than 440,000 hectares of watersheds under sustainable management practices.

Handwashing for Newborn Survival

USAID and Unilever-Lifebuoy share a common vision of significantly reducing global neonatal infection and mortality rates. Neonatal infections account for approximately one-third of neonatal deaths, but evidence indicates that handwashing amongst birth attendants, mothers, health workers and caretakers can significantly reduce these newborn deaths.

Handwashing for Newborn Survival leverages the impact of these two organizations by focusing on areas where each has the reach, influence and resources to create transformational behavior change. The partnership, established in 2011, aims to increase the practice of handwashing with soap among family members, caretakers and birth attendants before handling a newborn baby during the first 28 days of life.

The first phase of this partnership resulted in the development of a communications package based on formative behavior change research from Bangladesh and Indonesia. In the second phase, Unilever-Lifebuoy and USAID are moving forward to pilot test and evaluate this communications package in Kenya and build a roll-out and advocacy strategy in Kenya and other USAID priority countries. This phase is a part of a broader multi-sector strategy aimed at improving maternal and child health, as well as water and sanitation, agriculture and climate change.

FINANCIAL INCLUSION & INNOVATION

Of the 5 billion mobile phone users worldwide, nearly 2 billion lack access to banking services and instead rely on cash transactions that expose them to potential theft, fraud or loss, and high-cost lending and remittance providers that leave them vulnerable to endless debt and high fees. As a key component of USAID Forward, USAID's ambitious reform agenda, the Agency is building partnerships to accelerate access to digital financial services to drive growth and increase financial access and security for the developing world's poor population.

Partnership Profiles in Financial Inclusion & Innovation

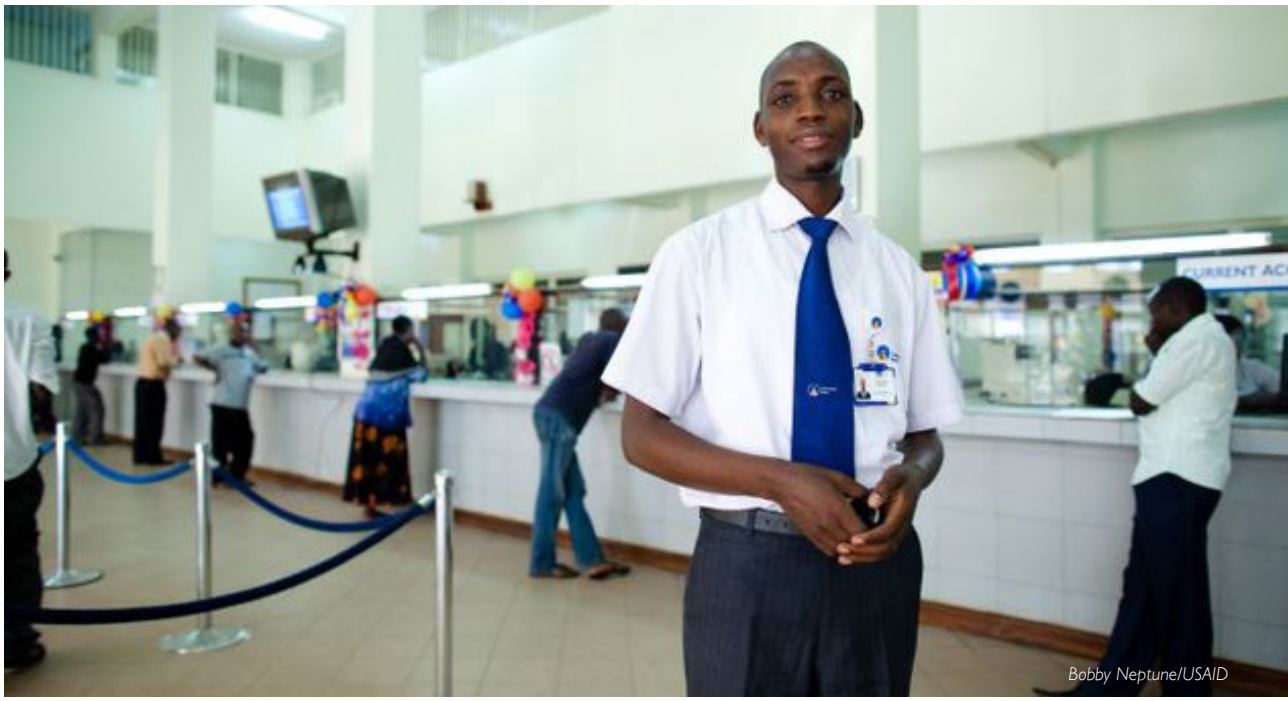
Transitioning from Cash to Electronic Payments

Cash is an expensive and inefficient form of payment that is highly susceptible to fraud and theft. Dependence on cash often leaves people in an informal system without access to financial services such as savings and loans, while markets with mature electronic payment infrastructure are better able to reach consumers at the base of the pyramid. Today, 80 percent of the poor in the developing world operate in informal, cash-based economies. A transition to electronic payments would provide cost savings, transparency and a pathway to increased prosperity through access to financial infrastructure and services.

Across the developing world, companies, governments and development organizations are some of the largest users of cash. Companies pay their suppliers and employees, humanitarian groups make emergency relief payments, and governments disburse social welfare stipends and wages in cash-for-work programs. Launched in 2012, an alliance created by USAID, the Bill & Melinda Gates Foundation, Citi, Ford Foundation, Omidyar Network, the United Nations Capital Development Fund, Visa, and MasterCard is encouraging these institutions to digitize their payments to the poor—a first step toward expanding access to the formal financial sector for millions.

The *Better Than Cash Alliance* (BTCA) creates a platform through which governments, the private sector, and civil society can share lessons learned and best practices related to the transition to electronic payments. It also extends technical and financial support to public and private sector actors willing to make this transition.

With *BTCA's* support, nine governments, 14 development organizations, and The Coca-Cola Company have committed to digitizing their payments. By harnessing the expertise and influence of diverse partners in both the public and private sectors, *BTCA* is uniquely positioned to shape public policy, tailor approaches to fit local market conditions, and facilitate the transition to electronic payments across a range of sectors and regions. *BTCA* will continue to support other companies and organizations in making the transition to electronic payments to advance financial inclusion for millions of low-income people around the world.



Bobby Neptune/USAID

Securing Critical Financing for Local Health Systems

The majority of private health clinics in Kenya cannot secure financing from local banks to purchase ultrasound equipment, diagnostic machines and other vital health supplies. Banks typically see these types of small- and medium-sized enterprises as a risky investment. For General Electric (GE), however, these local health providers are an untapped market for healthcare products and equipment.

In 2014, USAID—through its Development Credit Authority (DCA)—and GE forged a breakthrough partnership, *GE Health Guarantee,* to help Kenyan hospitals and clinics purchase the equipment they need. This transaction was the first in which a private company covered USAID's upfront costs in extending a loan guarantee to a local financial institution. GE contributed $660,000 to create a $10 million loan guarantee with Kenya Commercial Bank through which USAID assumes 50 percent of the bank's risk as it makes loans to local, private Kenyan health providers. These loans allow Kenyan hospitals and clinics to purchase GE's specialized diagnostic equipment, valued between $25,000 and $1 million.

Kenya Commercial Bank began making loans to hospitals and clinics in 2014. These loans are helping local hospitals and clinics access the necessary capital to upgrade their facilities and extend quality medical care to more Kenyans. GE expects its original investment of $660,000 to lead to $10 million in new sales in Kenya.

The *GE Health Guarantee* partnership has forged a new, cost-effective model for private sector engagement, one that has allowed USAID to extend a loan guarantee at almost no cost to the U.S. taxpayer and addresses challenges to financial inclusion and improved health outcomes simultaneously.

INNOVATION & ENTREPRENEURSHIP

Entrepreneurs and innovators play a critical role in driving the innovative products, business models and technological advancements that can accelerate solutions to development challenges. USAID is working with researchers and academia, local and multinational companies, donor governments and venture capitalists to identify, test, develop and scale a plethora of new, inventive solutions that bring lasting results.

Partnership Profiles in Innovation & Entrepreneurship

Unlocking Opportunities for Innovators

India is a nation of contrasts. While a hotbed of innovation and entrepreneurship, it still faces very significant development challenges. An emerging class of Indian social entrepreneurs developing innovative, market-based approaches to delivering development impact, India's risk-averse investment climate causes a struggle to access seed capital to get ventures off the ground.

Working with the government of India and the Federation of Indian Chambers of Commerce and Industry (ICICI), USAID launched the Millennium Alliance as a public-private platform to address this financing gap. The partnership's core purpose is to help Indian entrepreneurs secure the funding necessary to develop and pilot solutions to the country's most challenging social and economic problems. By bringing together ICICI, India's largest private bank; public and private donors; Indian businesses; and venture capitalists, the alliance provides local innovators with funding, mentorship and business accelerator services.

The Millennium Alliance is modeled directly on USAID's global Development Innovation Ventures (DIV) program, a grants competition for early-stage solutions to complex development challenges. Both programs take a range of promising but not yet proven ideas, pilot them, track results and continue to invest only in those projects that have shown the potential to cost-effectively deliver results at scale. This staged financing model minimizes USAID's risk in investing in new ideas while increasing the likelihood of discovering breakthrough solutions.

USAID

The Millennium Alliance has invested in two rounds of projects, supporting a total of 28 Indian enterprises. In the process, it has allowed USAID to mobilize tens of millions of dollars in private capital and, perhaps even more importantly, forge a new and powerful form of collaboration between the Indian government and the local private sector. Recipients of seed funding include SEWA Bharat, a women-owned enterprise that is designing and implementing an end-user-pays model for clean energy distribution in some of India poorest villages; Angel Xpress, which connects children in India's slums to affluent adults who can act as academic tutors and mentors; and Rang De, which is using a crowd-funding model to extend tuition loans to students.

PACE

Partnering to Accelerate Entrepreneurship

Entrepreneurs play a critical role in driving economic growth, creating jobs and spurring innovation that improves development outcomes through market-based solutions across all sectors. Impact investors seek to invest in businesses that generate both financial and social returns but are often unable to identify and connect with early-stage entrepreneurs due to the "pioneer gap" that exists between high-risk but promising early-stage enterprises and impact investors looking for investment opportunities.

To source new ideas and a diverse set of partners, USAID has launched the *Partnering to Accelerate Entrepreneurship* (PACE) initiative to foster innovative partnerships that support the incubation and growth of early-stage enterprises in developing countries; identify, test and evaluate models that enable simultaneous investment from private capital, venture philanthropy and grants to early-stage enterprises; and strengthen the entrepreneurial ecosystems in developing countries by addressing and filling market gaps.

Working with more than 20 incubators, accelerators and seed-stage impact investors, these partnerships are leveraging $56 million in combined public and private investments for testing innovations and fostering entrepreneurship. In its initial call for concept papers, USAID received more than 100 submissions from a diverse group of organizations. In September 2014, the Agency announced its first six partnerships formed under the *PACE* initiative.

Through one of these partnerships, the Shell Foundation has joined USAID in supporting three complementary models to accelerate the innovation of affordable energy solutions for low-income consumers. These incubation vehicles will help energy innovators test new technologies, prove the viability of new business models and unlock further social investment to support bringing them to scale. One example is Sangam Ventures, which provides seed capital and tailored business support to early-stage energy enterprises serving low-income communities in India.

USAID is also supporting Unitus Seed Fund in its efforts to build a more robust entrepreneurship ecosystem in South Asia. This will allow Unitus to connect with quality impact entrepreneurs beyond major Indian urban centers, improve the quality of start-up business incubators and strengthen its advisory and support services to help grow early-stage impact businesses. Unitus has already made 13 investments to date, making it the most active seed-stage impact investor in India.

Mobilizing ICTs in Cambodia

Development Innovations Cambodia

The rapid growth of information and communication technologies (ICTs) in Cambodia, such as smartphones and social media, creates the potential to identify and introduce innovative solutions that can improve development outcomes through diverse information sources and new communication channels.

Launched in 2013, *Development Innovations* is a three-year USAID-funded project that is mobilizing local public and private sector actors to build local capacity to design and use ICT to impact civil society organizations (CSOs) and improve development outcomes in Cambodia.

The program is building a platform, a "lab," that cultivates cross-sector partnerships and connects Cambodian innovators with the tools and resources necessary to develop creative solutions to operational challenges.

Participants work to identify development problems that ICT can address and build partnerships to advance new ICT solutions. CSOs receive training and support to increase capacity around outreach, impact, and sustainability through technology, including the expansion of social media and other tools that can be used for advocacy and social engagement among Cambodian youth.

Development Innovations offers a wide range of resources, including physical space, equipment and networking opportunities; grant funding; and technical expertise and talent development programs, by working closely with local partners such as NGOs, universities and businesses. To date, more than 400 participants have received training in social media as a tool for civic engagement, while more than 20 CSOs are incorporating the use of these ICT tools and solutions into their development work.

Increasing Universal Internet Access

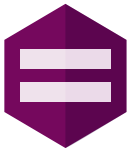
Around the world, just 1 in 3 people has access to the Internet—a digital divide that entrenches global inequality and extreme poverty. This is no longer simply a technology challenge; instead, it is a matter of cost. For the global poor, the cost of Internet access exceeds, on average, 40 percent of monthly incomes.

Now, USAID, Google, UK Department for International Development (DFID), Omidyar Network and the World Wide Web Foundation have forged the world's broadest technology sector alliance to make the Internet affordable and accessible to all. Over 70 organizations—including the U.S. Department of State, major multinational corporations, developing country governments, and a dynamic group of civil society and local partners—are working together to reduce the cost of basic Internet access to less than 5 percent of average monthly incomes in developing countries worldwide. By lowering the cost, the *Alliance for Affordable Internet* (A4AI) aims to increase global Internet access by roughly 10 percent, bringing millions of new people online.

To do so, *A4AI* focuses on reforming national-level policy and regulation by drawing on the expertise of its civil society and private sector partners to help governments in Africa, Asia, and Latin America design and implement changes that drive down the costs of Internet for their citizens. For example, together, *A4AI* partners are working to liberalize markets for Internet services; deploy public-private partnerships to co-invest in broadband infrastructure; and revise tax laws to promote the expansion of broadband services. *A4AI* is currently working with the governments of Ghana, Nigeria, Mozambique and the Dominican Republic.

INCLUSIVE DEVELOPMENT

At USAID, equal access to foreign aid is not only a matter of human rights, but also critical to holistic, comprehensive and inclusive development. Yet, women and girls face barriers and disadvantages in every sector in which they work, and lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals face a lack of employment opportunities, discrimination, and even violence. The Agency has a long history of advancing human rights by supporting and assisting marginalized and vulnerable populations, and it continues to make progress by partnering to support inclusive development initiatives that ensure that the benefits of development are felt by all.



Partnership Profiles in Inclusive Development

Facilitating Diaspora-Driven Development

Today, more than 62 million Americans are first or second generation diaspora—people living outside their country of origin. Many of these diaspora communities play a unique and important role in addressing development challenges abroad, through the transfer of knowledge, technology and financial capital to developing countries. Additionally, many diaspora communities retain emotional, financial and familial ties to their birthplaces. In 2014, the World Bank estimated global remittances—financial resources sent back to their countries of origin—to be $540 billion, making diaspora groups important stakeholders with the potential to transform developing countries around the world.

Laura Barland/AED

Recognizing the increasingly important role of these groups, USAID has facilitated several innovation marketplace competitions focused on connecting diaspora businesses with development potential to their founders' countries of origin. USAID and Western Union, for example, have partnered to create the *African Diaspora Marketplace* to provide matching funding and technical assistance to start-up and growing diaspora-run businesses.

Through the Development Credit Authority (DCA), USAID has established a $20 million loan portfolio guarantee to help raise debt capital from institutional and individual investors, including from the diaspora. The guarantee supports the confluence of global migration and remittance flows with emerging market investment and rapidly growing crowd-funding and social media technologies.

Homestrings, an online investment platform with deep connections to the global diaspora community, makes guaranteed loans to Small Enterprise Assistance Funds (SEAF), an active small- and medium-sized enterprises (SME) investor with a proven track record. SEAF then makes investments into SMEs in emerging markets like Macedonia, Serbia and Armenia. The USAID guarantee provides an important credit enhancement to Homestrings, enabling it to attract a wider range of private sector investors, both individuals and financial institutions. The proceeds from this mechanism are invested in local companies—from agribusinesses to financial service companies to information technology businesses—that have a strong potential for growth but limited long-term financing options.

This USAID guarantee will support $20 million in debt, and is leveraging an additional $40 million from equity investors into the SEAF SME Funds, a total leverage of 75 times the USAID contribution to the transaction.

Supporting LGBTI Rights & Equality

Our mission of ending extreme poverty can only be realized if all—women, minorities and vulnerable populations—are able to benefit from growth, opportunity and the expansion of rights. More than 216 million lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals live in countries where USAID operates, and the majority live in adverse conditions and face criminalized status, including prison or death. LGBTI equality and inclusive development are not only matters of human rights, but discrimination hinders economic growth, and equality is a critical component of resilient, democratic societies.

With 28 resource partners—including the Swedish International Development Cooperation Agency (Sida), the Astraea Lesbian Foundation, the Gay & Lesbian Victory Institute, the Williams Institute, Swedish Federation for LGBT Rights (RFSL), the National Gay and Lesbian Chamber of Commerce, Olivia Companies and other corporate, non-profit and NGO resource partners—USAID has built the *LGBT Global Development Partnership* in support of LGBTI human rights and equality. This transformational $18 million, four-year public-private partnership spans 15 countries and represents the largest investment to increase human rights, accountability, economic development, sustainability and protections for LGBTI persons worldwide.

The partnership empowers LGBTI communities to build and contribute to inclusive societies by strengthening the capacity of LGBTI leaders and civil society organizations; training LGBTI leaders to effectively participate in democratic processes; conducting research to inform national, regional and global policy and programs; and enabling LGBTI economic empowerment through enhanced entrepreneurship and small- and medium-sized enterprise development.

Victory Fund

Connecting Women to Mobile Resources

Though women account for more than half of university graduates and 41 percent of the workforce globally, they hold only 3 to 5 percent of senior positions in the technology sector. Further, women in developing countries are 21 percent less likely than men to own a mobile phone. This connectivity gap represents approximately 300 million women and $13 billion in missed revenue for mobile companies.

In 2012, USAID launched a partnership with the Global Association of Mobile Operators (GSMA), Australian Aid, Visa, AT&T and others to increase female participation at all levels of the digital economy—from leaders to employees to consumers. Working with local mobile operators, *Connected Women* seeks to expand the development of digital products and services that meet women's needs. The partnership educates the mobile industry about the benefits of expanded female inclusion in its consumer base and workforce through a combination of grants, advocacy and knowledge sharing.

To date, *Connected Women* has awarded 11 innovation grants to mobile operators and NGOs in Africa and Asia to design and introduce education and skills training programs, mobile financial services, mobile health tools and other products focused on reaching women with mobile services. One such grant was awarded to the Grameen Foundation's "Mobile Midwife" service, which provides subscribers with key maternal health information and will reach 200,000 women across Nigeria in its first year alone. *Connected Women* aims to enable 150 million underserved women to own and effectively use mobile phones, thereby increasing women's access to information and services, and improving overall quality of life.

John O'Bryan/USAID

FOSTERING A CULTURE OF PARTNERSHIP

As highlighted in this report, USAID is engaging the private sector in increasingly diverse ways. As market-based solutions to development challenges gain prominence, the Agency and its partners are sharing best practices, and contributing to a growing field of knowledge of public-private partnerships that advance market-based solutions to development challenges.

Additionally, partnering is becoming embedded across USAID, changing the Agency internally. USAID is investing in training to build the capacity of Agency staff around the world to work with the private sector, recruiting more people with private sector experience and skills, and implementing more robust approaches to manage ongoing relationships with private sector partners.

It is a key Agency priority to make partnering more efficient and effective—reducing the transaction costs of building and maintaining public-private partnerships and accelerating their ability to realize progress. Together, all of those working at the intersection of business and global development must do a better job of measuring and understanding the impact of partnerships, replicating successes, and acknowledging and learning from failures and mistakes.

The Agency will continue to pursue partnerships with local and global corporations, and boost investments in business-related reforms in partner countries around the world. This approach will accelerate the ability of the Agency and its partners to deliver results, and to do so with greater efficiency and long-term sustainability.

To learn more about where and how USAID works with the private sector, visit us at *www.usaid.gov/partnerships.*

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