



GLOBAL DEVELOPMENT ALLIANCES:

ACHIEVING SHARED GOALS BY WORKING TOGETHER

I. ENGAGING THE PRIVATE SECTOR

USAID is committed to increasing our development impact by engaging and collaborating with the private sector. Such collaboration is essential to achieving our mission of ending extreme poverty. It also provides the private sector with promising and unique opportunities to advance core business interests. Working together, USAID and the private sector can leverage our respective expertise, capabilities and resources to develop and implement market-based solutions that foster business success and drive sustainable social and economic development.

Private sector collaboration and engagement can take a variety of forms, including but not limited to the pursuit of public-private partnerships (PPPs). Since 2001, USAID has built more than 1,600 partnerships with diverse private sector actors – including U.S. and global corporations, local businesses based in developing countries, financial institutions, and impact investors and entrepreneurs. These partnerships have achieved development outcomes and positive results for business in a broad range of areas where core business interests align with USAID priorities.

The Global Development Alliance (GDA) is USAID’s flagship model for building partnerships with the private sector. At its core, a GDA is a partnership involving USAID and the private sector where the partners work together to jointly develop and implement activities that leverage our respective assets and expertise.

These partnerships are based on complementary objectives and aligned interests. They employ market-based approaches to addressing development challenges; are co-created, with partners sharing risks, responsibilities, and rewards of the partnership; and leverage contributions from the private sector for greater development impact.

By working together under this approach, USAID and the private sector have successfully addressed critical challenges in dozens of countries worldwide and a wide variety of issue areas and sectors, including but not limited to: agriculture, climate change, education, energy, entrepreneurship, food security, health, water and sanitation, and workforce development.

II. BRINGING VALUE TO THE PRIVATE SECTOR

USAID's GDAs provide businesses with opportunities to achieve core business interests and advance corporate sustainability priorities. Partnerships have improved supply chain quality and reliability; expanded access to new customer bases and markets; reduced operating costs; improved workforce productivity; increased access to qualified and skilled talent; and strengthened relationships with key stakeholders.

The GDA bottom line for the private sector is this: by working with USAID, and leveraging USAID's capabilities and assets, businesses are able to advance their core interests and have greater success. At the same time, USAID leverages core business capabilities and expertise to advance our core development goals and have greater development impact. Tangible examples include:

- USAID-supported technical assistance to small scale distributors in the **mobile telecoms sector** has helped our private sector partners grow sales to new markets and previously underserved customer groups;
- USAID-supported technical assistance to small-scale farmers and cooperatives has increased the **reliability and quality of key agricultural commodity value chains**;
- USAID's support for **workforce development and education programs in the ICT sector** has provided businesses with the mix of human capital needed to improve productivity, reduce investment risk, and expand business operations;
- USAID's support for HIV/AIDS, health and nutrition programs in the manufacturing, textiles, agricultural and extractive sectors has reduced employee absenteeism among producers and suppliers, thereby **reducing costs and increasing labor productivity**.
- USAID's collaboration with private equity firms and financial intermediaries has fostered **increased private investment in clean energy technologies** and enhanced business opportunities and job creation in the sector, while also enabling the private sector to reduce greenhouse gas emissions and address shareholder concerns.
- USAID's convening power, credibility and extensive networks and working relationships with governments, NGOs, civil society groups, and foundations may help companies **enhance community relations, strengthen stakeholder relationships, or promote policy reforms**.

III. MAKING IT HAPPEN - THE GDA ANNUAL PROGRAM STATEMENT

In an effort to promote extensive private sector engagement, USAID issues a [Global Development Alliance \(GDA\) Annual Program Statement \(APS\)](#). The GDA APS is a standing invitation to prospective partners to work side-by-side with USAID, the private sector, and other interested organizations to build high-impact partnerships that foster market-based approaches to solving critical business and development challenges.¹

The GDA APS provides a structure and process for USAID and prospective partners to identify our respective interests and objectives; determine how those interests align; and jointly identify and define challenges and opportunities we can most effectively address by working together. It also provides a

¹ GDAs can be built in a number of ways. While the GDA APS provides a proven and extremely valuable means of developing GDAs, it is not the only pathway to a GDA. If interested in learning more about other approaches, please contact гда@usaid.gov.

process to jointly examine and leverage our respective expertise, resources, and capabilities to develop and implement effective solutions to the challenges we have identified together.

Under the GDA APS, private sector engagement with USAID is essential. While USAID actively seeks the participation of various types of organizations in the design, development, and implementation of high-impact GDAs, the robust participation of the private sector – and a strong working relationship between USAID and the private sector - is a defining and core characteristic. As a result, the GDA APS not only invites and encourages the private sector to reach out directly to USAID, it also requires other organizations interested in building GDAs to connect USAID with prospective private sector partners as soon as possible.

Under the GDA APS, the private sector refers to:

- Private for-profit entities such as a business, corporation, or private firm;
- Private equity or private financial institutions, including private investment firms, mutual funds, or insurance companies;
- Private investors (individuals or groups);
- Private business or industry associations, including but not limited to chambers of commerce and related types of entities; and
- Private grant-making foundations or philanthropic entities.²

Most GDAs will also involve other types of organizations whose expertise and capabilities are critical to solving the problems and challenges that are motivating collaboration between USAID and the private sector. These organizations include: non-governmental and civil society organizations, public international and regional organizations, bilateral and multilateral donors, host country governments, U.S. and non-U.S. colleges and universities, civic groups, diaspora communities, and other U.S. government agencies.

All prospective partners are expected to identify the array of expertise, capabilities, and resources (cash and in-kind) they will mobilize and apply to a proposed alliance. In addition, GDAs require the value of contributions from private sector partner(s) equal or exceed the level of funding requested of USAID.

IV. GETTING STARTED

The most promising GDAs emerge from a rich understanding of private sector interests and USAID development objectives, as well as direct consultations between USAID and the private sector. Accordingly, the best way to get started building a GDA depends on the type of partner that is taking the initiative to develop the GDA.

Private Sector Partners - The best way for private sector partners to get started is to contact gda@usaid.gov or contact the [USAID office or Mission](#) with which you seek to partner. It is also recommended that prospective private sector partners read Sections I-III of the [GDA APS](#).

² Private sector organizations and actors must not only be from the United States. Local companies, multinational firms, regional foundations and other organizations are all welcome as partners.

Other Partners - If your organization wants to work with USAID and the private sector to jointly solve development challenges, the best way to get started is to read and follow the guidance in the [GDA APS](#).³ Before proceeding with any concept paper submission under the GDA APS, it is essential that prospective partners:

- Review [USAID development objectives and priorities](#) in the country or countries where alliance activities might be conducted;
- Identify and begin to engage prospective private sector partners to understand their interests and priorities and explore potential alliance ideas; and
- Connect the private sector partners with USAID as soon as possible.

If the above actions identify one or more private sector partners committed to building an alliance with USAID, and lead to potentially promising alliance ideas, organizations can continue the co-creation process by submitting a concept paper under the GDA APS⁴.

Questions and Further Information

To learn more about Global Development Alliances and USAID's collaboration with the private sector, please contact gda@usaid.gov and visit www.usaid.gov/gda.

About the U.S. Global Development Lab

The U.S. Global Development Lab serves as an innovation hub. The Lab takes smart risks to test new ideas and partner within the U.S. Agency for International Development (USAID) and with other actors to harness the power of innovative tools and approaches that accelerate development impact.

USAID established the Lab in 2014. It brings together diverse partners to catalyze the next generation of breakthrough innovations to advance USAID's mission to end extreme poverty and support inclusive growth. The Lab operates under a set of guiding principles:

- Open and Inclusive - Drawing upon the ingenuity of people from around the world.
- Evidence-based - Investing based on strong evidence of impact.
- Catalytic - Attracting the support of others to enable sustainable development solutions that reach massive scale.
- Agile - Creating fast feedback loops that enable continuous learning and performance improvement.

The Lab is focused on solutions around Science, Technology, Innovation, and Partnership—reflecting USAID's broad embrace of innovation to bring about positive change and solve some of the world's most pressing challenges. It works across USAID and within the broader international development community to test innovative tools and methods. When a new approach proves effective, the Lab works to increase its adoption throughout USAID and with our partners.

³ Sections I-IV of the GDA APS outline the core rationale for building GDAs and provide detailed information regarding how to pursue partnership discussions and development with USAID and the private sector.

⁴ See Sections V-VII of the GDA APS for more specific guidance on GDA concept notes and the subsequent steps in the process.