ANNEX 4 – GLOBAL DEVELOPMENT ALLIANCES

Global Development Alliances: The use of alliances in promoting investment will be a key strategy for achieving the goals under technical area number five. USAID considers an "alliance" to be a formal agreement between two or more parties created to jointly define and address a development problem. Alliance partners combine resources, risks and rewards in pursuit of common objectives. Mechanisms for collaboration include parallel financing (with common objectives, clear understanding of roles and separate funding tracks) or pooled resources (with agreed upon and legally binding governance structures and common funding tracks). GDA alliances are expected to bring significant new resources, new ideas, new technologies and/or new partners or using existing partners in new ways, to address development problems. Alliances must clearly establish up front how the interests and objectives of each party converge. This expression of interests and objectives should then lead to an operational plan that, if successfully implemented, will produce clearly defined development results. Like all investments in development, alliance activities at the country level that actively involve local leadership and local beneficiaries in design and implementation are the ones most likely to be successful and sustainable. Local ownership, leadership and beneficiary participation are still keys to success. GDA alliances seek, at least, a one- to- one match, and at least 25% must come from the private sector. Matching resources will not always be money -- in-kind resources, intellectual property, implementation know-how, and technical assistance are also valuable contributions. Alliance proposals must clearly specify what each party is contributing. Some alliances will start small and expand over time as the alliance matures and succeeds, trust is built, and the benefits to the partners become clearer. Tools for Alliance Builders contains in-depth information to assist in the due diligence process.