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FROM THE AMERICAN PEOPLE

NOV 2008



# Alliance innovations

THE NEWSLETTER  
OF THE  
GLOBAL  
DEVELOPMENT  
ALLIANCE.

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## FEATURE ARTICLE: Investing in Agriculture New Solutions in the Fight Against Global Hunger

The era of cheap food is over. Around the globe, food is becoming a scarce and precious commodity thanks to insufficient food production, climate change, and rising energy costs. Challenges to agriculture don't stop at poor crops and expensive gas, however.

African farmers see 70 percent of their production lost before it reaches market due to spoilage and lack of transport, and access to clean water for irrigation continues to be a problem in many countries.

Overcoming such dilemmas will be key to meeting the world's growing food needs, said USAID Administrator Henrietta H. Fore at a USAID-sponsored gathering of public and private sector leaders that focused on a joint sector approach to investing in agriculture.

"Food production is one challenge, but many of the problems are not

actually the production of food but things like transportation, storage, and efficient use of resources,"

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**LEARNING STORY**

Nicaraguan farmers diversify crops and connect with new distributors.

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**LEARNING STORY**

An alliance with a commodities trader revitalizes the rice industry in Nigeria

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**MEET THE NEW FACES OF GDA**

GDA has grown in the last six months - match the faces to names and find your point person!



## MESSAGE FROM THE DIRECTOR

**A**t a time when the world's attention is focused on the global financial crisis, there is another kind of crisis that is claiming lives and robbing millions of a healthy future – the global food security crisis.

Around the world, rising food shortages, increasing fuel costs, and changes in the environment have conspired to create a perfect storm which will touch all of our lives but threatens to put further pressure on the most vulnerable populations.

And while the U.S. government response to this crisis is considerable – with more than \$5 billion committed to the fight against global hunger in 2008 and 2009 – the challenge to keep millions from slipping into the grips of poverty or worse is critical.

At the Global Development Alliance, we believe that through public-private partnerships, we can help USAID mobilize the vast resources of businesses, foundations, universities, and non-governmental organizations to put an end to hunger and poverty.

In this issue of **Alliance Innovations**, I encourage you to read more about how public-private alliances in Africa, Asia, and Latin America are helping increase farmers' profits and crop yields for the good of all. In addition, you will find some of the latest news features from the field on their alliance building activities.

I hope these alliance stories will help stimulate your thinking about how, together, we can address challenges that affect both business and development in virtually every industry and every country that USAID works. Together we can help combat this crisis.

Sincerely,

Kermit Moh

Division Chief, USAID Global Development Alliance

## NICARAGUAN ENHANCE SKILLS

## FARMERS TO INCREASE PROFITS

• BY ELIZABETH KOUNTZE

**F**rancisca Chavarria, 47, a widow from the northern Nicaraguan community of Soledad, earns four times more money today than she did a year ago.

"I used to harvest corn, but now I raise malanga [a root vegetable]," she says. "One manzana [equivalent to 1.7 acres] of malanga will earn me \$1,600, substantially increasing my ability to provide for my four kids." Corn earns just \$415 per manzana.

To the north, in the hills of Pueblo Nuevo, Paola Mercedez helped organize an all-women cooperative to grow organic coffee. The group signed a deal with Just Coffee



**ABOVE** | Rural producer Paola Mercedez signed a deal this spring with fair trade distributor Just Coffee to sell her coffee for a much higher price.

Co-op to export to U.S. consumers, and this year will sell around 21,000 pounds of organic coffee.

Chavarria and Mercedez are among 5,400 rural Nicaraguan farmers and small business owners learning to add value to agricultural products with assistance from the Alliance to Create Opportunities for Rural Development through Agro-Enterprise Development (ACORDAR). The farmers' success is coming just as the rise in global food prices adds value to their harvests.

Just nine months into the project, ACORDAR is on track to exceed its targets of producing an increase of \$8 million in sales (to a total of \$57 million), an additional 11,000 permanent jobs, and a 75 percent raise in income for its participants over the two-and-a-half-year project.

"The thing about the alliance is that it gets everyone to work together toward a common goal," said Alejandro Raskosky, a USAID program development specialist. "It raises productivity and improves the lives of farmers and their families in rural, impoverished areas. Public sector municipalities and the private sector work together for leverage. Almost \$20 million in leveraged resources makes it possible to do a lot more."

Agriculture is the centerpiece of Nicaragua's economy, which has the third lowest per capita income in the Western hemisphere. Half



**ABOVE** | Rural producer Francisca Chavarria earns more by growing higher value crops.

of all Nicaraguans live below the poverty line. And, nearly two out of three work in the informal sector, with a majority making do as small farmers. Nicaraguans have been struggling for years to earn higher prices for the coffee, cocoa, beans, fruits and vegetables they farm.

ACORDAR provides technical assistance, financing and infrastructure improvements to boost the quality and quantity of their goods. Farmers learn how to diversify their crops and meet international standards in all stages of production. They master market pricing and timing, which is critical to optimizing incomes.

This Global Development Alliance includes \$7.6 million from USAID, and leverages \$18.6 million from local and international private, public and non-governmental partners.

"The funding is part of the added value of the alliance, but the bigger deal is engaging the farmers in relationships

with private sector actors who are buyers of these commodities," says Jefferson Shriver, ACORDAR alliance director for Catholic Relief Services.

ACORDAR, which launched in fall 2007, is a partnership between USAID, Catholic Relief Services, Technoserve, Asociacion Aldea Global, private partner LAFISE, Lutheran World Relief and several other local partners including municipal governments.

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# GLOBAL HUNGER FACTS:



Hunger and poverty claim 25,000 lives every day



More than 60 percent of chronically hungry people are women



820 million people in developing countries alone are hungry - one in four lives in sub-Saharan Africa



Every five seconds a child dies because she or he is hungry

Source:  
FAO & The State of Food Insecurity in the World, 2006

“Never before has man had such capacity to control his own environment, to end thirst and hunger, to conquer poverty and disease, to banish illiteracy and massive human misery. We have the power to make this the best generation of mankind in the history of the world—or to make it the last.”

John F. Kennedy



## New Solutions in the Fight Against Global Hunger

>>> continued from page 1

she said at the late September gathering in New York. “In many ways it’s a matter of getting the solutions that exist out there.”

And part of that solution, said Administrator Fore, is getting others involved in efforts to combat food insecurity, including private companies that have the experience and resources to meet many of the challenges facing agriculture in emerging markets.

Ms. Fore envisions the private sector leading the way to a second Green Revolution, supporting

food security, agriculture, and rural growth through partnerships and investment.

By employing this approach, she said, “It will lead to a long term, sustainable development solution.”

The first Green Revolution was a wave of new agricultural technology and government policies which are credited with allowing food production to keep pace with world wide population growth.

What began as a program that would help Mexico become self-sufficient in wheat production in 1945 has helped countries around the world develop agricultural resources and infrastructure necessary to feed burgeoning populations.

Despite the worldwide implications of this effort, the first Green Revolution was primarily a project of the public sector, said Elsa Murano, president of Texas


A&M University -- one of the universities that helped ignite the first revolution in food production that transformed parts of Asia -- and a participant in the high-level meeting. “The second has to add the private sector to it.”

Part of the \$5.5 billion allotted to food security aid will target emergency food needs in places like Haiti, Egypt, and Sub-Saharan Africa. But another part, Administrator Fore said, will go toward addressing the food security problem with solutions such as improved seed types, better roads, more efficient irrigation systems, and technology transfers involving things like cold-storage facilities. “All these areas are where our private partners come in,” she added.

Companies like Monsanto, John Deere, and Cargill that are participating in USAID’s partnerships are not acting on

“pure philanthropy,” Monsanto Chairman Hugh Grant explained. Companies such as these benefit from higher crop yields, reduced losses due to pests and diseases, and farmers with more disposable income that invest back into their businesses.

For Monsanto and others, this is enough incentive to work with researchers to develop new corn varieties that will “sip water instead of gulping it” and to invest in a “technology skip” that will allow African countries to benefit from the next generation of high-yield seeds and other agricultural technologies.

By addressing challenges along the agriculture value chain, from seedling to the dinner plate, through public-private partnerships with USAID, these organizations and many more are revolutionizing food assistance by providing sustenance today and solutions for tomorrow. 

## NUMBERS AT A GLANCE

162 MILLION

Worldwide population subsisting on less than \$.50 per day

1 BILLION

Worldwide population subsisting on less than \$1.00 per day



\$1,620,422,634

USAID Food and Related Assistance Worldwide in FY 2007

\$1,475,127,549

USAID Food and Related Assistance Worldwide to Date in FY 2008

\$200,000,000

Additional USG Funding Announced on April 14, 2008

\$770,000,000

Additional USG Funding Requested on May 1, 2008

Olam International, Inc., a global agricultural commodity trader, has investments in 56 countries and has significant world market share in coffee, cocoa, cotton and cashews. Olam Nigeria is the largest non-oil exporter in Nigeria.



## RICE FARMING GATHERS STEAM IN NIGERIA'S BREAD BASKET

• BY JENNIFER LIST

Margaret Tyoakaa used to make a living selling beer in a rural village in North-central Nigeria. Occasionally, some of her customers would get so drunk they would yell and hit her to avoid paying their bill at the end of the night. Ms. Tyoakaa knew that she needed to make a career change but didn't think she had any other options. That is, until she discovered rice farming. "Last year, when my mother joined the Olam rice farming program, I decided to help her," she said. "I saw her success, and this year decided to enroll on my own [as a farmer-in-training]."

Ms. Tyoakaa lives in Nigeria's breadbasket -- Benue State -- a place where agriculture, and especially rice farming, is resurging as an acceptable career choice among young people. For Ms. Tyoakaa and many others, rice farming is providing a more comfortable life with a bright future. "I have seen the difference in my life. I am now a very comfortable farmer and I anticipate a high yield [in the coming months]," she said.

With over 140 million mouths to feed, Nigerians eat 5.4 million MT (metric tons) of rice worth \$9.2 billion annually. Approximately 3.1 million MT of that rice is imported, making Nigeria the largest net importer of rice on the African continent and the second largest importer in the world. Yet with its arable land and tropical climate, Nigeria is an ideal locale for growing the staple.

At the USAID Mission in Nigeria, they recognized that by building up the domestic rice industry, they could help create more jobs while also improving the availability of food in the country. What was preventing this from happening, however, was the lack of high-quality seeds and fertilizers and credit from banks to buy these inputs. Moreover, few farmers in Nigeria own vehicles to transport their goods, and the potholed roads and risk of armed robbery make getting rice to processors and reputable buyers even more difficult.

To address these issues, USAID reached out to the private sector to mobilize additional resources for this industry. Since 2005, the Olam-USAID MARKETS (Agriculture Revenue and Key Enterprises for Target Sites) partnership has worked with suppliers, trainers, farmers, processors, retailers, and consumers to benefit everyone at each point along the entire rice value chain.

From seed cultivation and planting to improving farmers' knowledge about pesticide use, water management, and better harvesting techniques to avoid breaking rice the Olam-USAID MARKETS alliance is providing farmers with the tools they need to succeed.

Through the partnership, the state government provides the fertilizer and USAID provides training to farmers

to increase the yield and quality of rice. Additionally, USAID helped the farmers form cooperatives to bundle their rice and negotiate prices. Olam purchases this new, higher quality rice from the farmers at above-market prices at the farm gate and transports it for free to a local rice mill that they recently refurbished. The rice is processed and then sold locally under the Lobi brand.

Over the past two years, more than 8,000 persons have participated in the farmer training program, resulting in more than 7,000 hectares of paddy planted. Farmers have doubled their productivity and increased their



" I have my own farm now, but I earn extra money working on the model farm as well. With the money I make, I am sending all five of my children to school. "

PATRICIA ALEGBA,  
BENUE STATE, NIGERIA

net incomes by 230 percent due to increased yields and better prices. Moreover, farming is attractive to the younger generations: the number of participating farmers under 30 has tripled since the program began.

Over time, the partnership has



ABOVE | A woman gathers rice in Benue State, Nigeria.

continued to evolve, especially in the realm of finance. In the first year, Olam provided credit to farmers who needed loans to buy seeds and fertilizers. As the project expanded and more farmers joined the program, it became apparent that Olam's role

the Central Bank of Nigeria (serving as a guarantor) joined the program to provide \$5 million in commercial credit to farmers. This step is remarkable because it enables farmers to build valuable credit history as a small business owner and empowers farmers as legitimate customers for an array of service markets.

To the farmers, the access to credit and a reliable buyer has made the future in Benue State much brighter. They excitedly talk of expanding their small farms, getting more fertilizer spray tanks, and eventually buying tractors for harvesting.

For Peter Awa, a father of nine children, the benefits from the program have been transformative. Since participating in the training program, Mr. Awa has been able to build two small houses on his property, and he was also able to pay school fees for all of his children. This investment of over 150,000 Naira (\$1270) was one "that I was never able to afford before," said Mr. Awa.



# ALLIANCE NEWSCLIPS

## BOSNIAN CITIES GO WIRELESS THANKS TO DIGITAL CITIES INITIATIVE

Srebrenica and Bratunac—Bosnia's two largest cities—have gone digital thanks to an alliance between USAID Bosnia-Herzegovina, Cisco Systems, and local telecom provider BiH Telecom.

The Digital Cities Initiative provides local governments with Internet-based communication networks to improve communication flows between city institutions, the local business community, and citizens.

The \$1.2 million partnership seeks to strengthen e-government networks and help returning refugees reintegrate back into society by providing easy access to information on healthcare, education, business services, and other social benefits.

## USAID PARTNERS WITH BIOTECH INDUSTRY TO DEVELOP DROUGHT- TOLERANT RICE FOR INDIA

Each year India, home to 1.1 billion people, needs more food than it needed the year before to feed its burgeoning population.

To help India meet this growing demand for food, USAID is working with Arcadia Biosciences, a small, California-based biotechnology company, to develop new rice and wheat varieties that are drought and salinity-tolerant and use nitrogen more efficiently.

The three-year, \$3.5 million partnership is working with local partners such as Mahyco, a leading developer and seller of crop seeds in India, to develop an industry for the seeds with rural farmers.

## USAID, CHEVRON PARTNER TO SUPPORT EDUCATION IN AZERBAIJAN

On Sept. 27, USAID, Chevron Khazar Ltd., and StatoilHydro signed an agreement to provide hands-on training in business entrepreneurship and work-readiness skills in 230 high schools across Azerbaijan.

The alliance, which is part of Junior Achievement Azerbaijan's School Economics Education (SEE) Program, will benefit some 300 teachers and thousands of students by providing students with the opportunity to learn about international economics, business management practices, and business ethics from leading businesses and practitioners.

The program includes a job shadow program to allow students to gain some real-world work experience.

## COKE FEATURES WATER GDA IN NEW MARKETING CAMPAIGN

The Coca-Cola Company has launched a major new marketing campaign which features the Water and Development Alliance, a \$14 million, multi-region Global Development Alliance between USAID and the beverage company.

The "Live Positively" campaign ([www.livepositively.com](http://www.livepositively.com)) highlights efforts at building sustainable communities through initiatives that protect the environment, conserve resources and enhance the economic development of the communities where it operates.

Operating in 17 countries across Africa, Asia, and Latin America, the alliance seeks to protect and conserve watersheds and has helped more than 250,000 people benefit from increased access to clean water.

## REALITY TV ENTREPRENEUR COMPETITION ANNOUNCES WINNER IN AFGHANISTAN

On Aug. 14, Faizul Haq Moshkani, a father of nine from Kandahar, and his plastic-recycling business plan went to claim the top prize on Dream and Achieve, a reality TV show competition for entrepreneurs modeled after Donald Trump's *The Apprentice*.

The show, which is a result of a public-private alliance between USAID Afghanistan, ToloTV, the American University in Afghanistan, and the Export Promotion Agency of Afghanistan (EPAA), followed six finalists over the course of thirteen episodes as they worked with the USAID Afghanistan Small and Medium Enterprise Development (ASMED) program to craft and improve upon small and medium enterprise business plans.

Each week more than a million people tuned in as the competition heated up and competitors demonstrated to a panel of judges why they thought they had the most compelling, innovative, socially responsible, and viable business concept. As the winner of the competition, Mr. Moshkani will receive \$20,000 to help make his business dreams a reality.

## USAID LAUNCHES \$40 M PARTNERSHIP TO PROTECT "AMAZON OF THE SEAS"

USAID's Regional Mission in Vietnam launched a \$40 million, five-year Coral Triangle Initiative (CTI) to better manage the biologically rich marine and coastal area known as the "Amazon of the Seas", in the waters surrounding Indonesia, the Philippines, Malaysia, Papua New Guinea, Timor-Leste, and the Solomon Islands.

The CTI seeks to regulate the management of fisheries, protect threatened species, and help residents adapt to climate change in one of the world's most populated regions. The Coral Triangle, which covers an expanse of ocean of 2.3 million square miles, is home to more than 75 percent of all known coral species and 3,000 fish species.

Other partners on the initiative include the World Wildlife Fund, Conservation International, The Nature Conservancy, the U.S. Department of State, the Australian Government, Walton Family Foundation, CTI Secretariat, Asian Development Bank, and the Global Environment Facility.

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# INTRODUCING THE NEW GDA TEAM!



**Kermit Moh,  
Division Chief**

Director of the Global  
Development Alliance



**Jerry O'Brien,  
Senior Alliance Advisor**

Responsible for  
coordinating GDA  
operational and  
administrative functions,  
and backstops USAID/ME  
Missions and Bureau.



**Gail Spence,  
Senior Alliance Advisor**

Responsible for  
coordinating support to  
Missions and Bureaus,  
institutionalizing the GDA  
model and backstops the  
USAID/LAC Bureau.



**Ben Kauffeld,  
Senior Alliance Advisor**

Responsible for  
humanitarian/disaster  
related partnerships, and  
backstops the USAID/  
DCHA Bureau.



**Rob Schneider,  
Senior Alliance Advisor**

Responsible for  
coordinating outreach to  
private sector companies,  
and backstops the USAID/  
EGAT Bureau.



**Rockfeler Herisse,  
Senior Alliance Advisor**

Responsible for technical  
support on agriculture-  
related partnerships and  
backstops the USAID/  
Africa Bureau and  
Missions.



**Todd Kirkbride,  
Senior Alliance Advisor**

Responsible for assistance  
to Missions through staff  
training and partnership  
development, and  
backstops the USAID/E&E  
Bureau.



**Jimmy Small,  
Senior Policy Advisor,  
Franklin Fellow**

Responsible for priority  
projects on agribusiness,  
food security, and private  
sector development.



**Avery Ouellette,  
Alliance Advisor**

Responsible for outreach to  
private sector companies,  
and backstops the USAID/  
Asia Bureau and Missions.



**Michelle Wu,  
Alliance Advisor**

Responsible for technical  
support on health-  
related partnerships and  
backstops the Global  
Health Bureau.

The GDA team is rounded out by an experienced team from DAI including:

- Kristi Ragan - Alliance Advisor
- Melanie Oliviero - Alliance Advisor
- Katie Carroll - Senior Alliance Specialist
- Lorin Kavanaugh-Ulku - Communications Director
- Anay Shah - Alliance Specialist
- Jennifer List - Communications Specialist
- Gerard Lumban - Program Coordinator

# CALENDAR

# OF EVENTS

**GDA EVALUATION BROWN BAG** 12.2.08

USAID Washington, Point IV Conference Room 12pm-2pm

**PARTNERSHIP MARKETPLACE** 12.11.08-12.12.08

USAID Washington, 14th Street Lobby

**GDA DEVELOPMENT + SERIES: ICT IN DEVELOPMENT** 1.29.09

Georgetown University Mortara Center, Washington, DC

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## OLAM NIGERIA ALLIANCE WINS WORLD BUSINESS DEVELOPMENT AWARD

For the company's work with the rice farmers of Nigeria, Olam Nigeria Ltd. recently joined the ranks of a select few companies recognized with the prestigious World Business Development Award in New York.

Sponsored by the United Nations Development Program, The International Chamber of Commerce, and the International Business Leaders Forum, the award is given to companies whose work demonstrates that "business can both make a significant contribution to development and be commercially successful at the same time."

Presented on September 22, 2008 by Her Majesty Queen Rania al Abdullah of Jordan and President Abdoulaye Wade of Senegal, the award marks Olam's dramatic impact on the lives of rice farmers in Kwara and Benue States of Nigeria.

Reflecting on the success of the project, Venkataramani Srivathsan, Senior Vice President and Regional Head of Olam's West Africa division, said, "The sustainability and growth of this project is directly in line with the growth aspirations of Olam. This award is a testimony to our business model which integrates community and social development in the way we do business. The sustainability and growth of this project is directly in line with the growth aspirations of Olam."



**ABOVE** | Representatives from USAID/Nigeria, Olam Nigeria Ltd., and First Bank of Nigeria accept the World Business Development Award for their successful rice partnership.

Read more about this exciting partnership! >>> [page 6](#)