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Alliance innovations

THE NEWSLETTER
OF THE
GLOBAL
DEVELOPMENT
ALLIANCE.

FEATURE ARTICLE: Investing in ICT

Innovations that are changing the world

• BY LORIN KAVANAUGH-ULKU

In a day and an age where airline passengers can get broadband Internet service even in the friendly skies, it is difficult to imagine that millions, let alone a billion or more, global citizens still don't have access to the knowledge and information the Internet provides.

Barriers to access are many



in the developing world, and it's not just a matter of providing cheap PCs, laptops, and mobile phones for the world's poor. Consider the logistics required to connect the entire world to a reliable power grid or providing worldwide access to broadband Internet or building a computer that could withstand the ravages of a monsoon season. And, of course, even when the hardware and infrastructure are in place, computer literacy is still an obstacle.

For decades, there has been lots of talk and excitement that information and communications technology (ICT) will "transform development," said Jerry O'Brien, the

Global Development Alliance's deputy division chief, at a gathering of ICT innovators at Georgetown University.

>>> continued on page 8

pg2

LEARNING STORY

Sri Lankan entrepreneurs spread wireless access

pg6

DID YOU KNOW?

Find out how many new partnerships USAID created in 2008!

pg10

PROFILE STORY

Development 2.0 Challenge winners mix mobile phones and development



MESSAGE FROM THE DIRECTOR

Everyday we are bombarded by reports of business revising earnings down, cutting budgets, and staff. And it's not just the United States affected by this downturn. Across the globe, economies are absorbing the shockwaves from what U.S. President Barack Obama has characterized as "not your ordinary, run-of-the-mill recession." In short, these are tough times for all of us and the future remains uncertain.

Now more than ever partnerships that share risks and rewards offer an anchor in the storm. At the Global Development Alliance (GDA), we've taken the pulse of private sector partners around the globe to get a feel for how businesses are reacting to the downturn. Again and again, we've heard that most businesses are reassessing their investment portfolio and scaling back on the investments that don't make good business sense. What companies are still investing in, however, are projects that speak to their core business strategies.

During these tough times, alliance building can be a difficult prospect. What we need to remain aware of are the opportunities that may emerge as companies revisit long-term growth strategies. In this issue of Alliance Innovations, you will find insights into approaches to partnership during an economic downturn. To learn more, please see the text box on page nine outlining points to take into account before you approach a potential partner. (The full message is available on the GDA Website.) At the GDA, we believe that public-private partnerships bring value to all partners. And at times like these, value-driven alliances are the gold standard for success.

Also in this issue, you will find examples of partnerships in information and communications technology (ICT). Innovations in this area have the potential to radically change development assistance delivery around the world by making information and knowledge cheap and easily accessible to many. In collaboration with companies such as Intel, Microsoft, and Cisco, we empower communities the world over to take charge of their futures through initiatives that connect people with resources in health, banking, education, agricultural trade, and more.

I hope you find this issue of Alliance Innovations useful as you think about how GDAs can help you accomplish your development and business goals.

Sincerely,

Kermit Moh
Division Chief, USAID Global Development Alliance

IN SRI LANKA, RURAL FIRMS

• BY LORIN KAVANAUGH-ULKU

Y.K. Indra lingered outside the Chamitha Mobile Easy Seva Center in Wennappuwa, Sri Lanka, waiting for the opening ceremonies to wrap up. As soon as the room was cleared of VIPs, Indra took her seat before a computer terminal and began typing an address for an Internet telephone network.

Minutes later she was beaming as the flickering image of her sister's smiling face appeared on the screen.

"Buongiorno!" she said with a laugh before switching into rapid Sinhala. "I can't believe I can actually see you when we're talking."

Indra's sister works in Italy as a domestic as do many Sri Lankans from this region. "We used to speak only every few weeks," she said. "That's all I could afford on my mobile phone. Now we will talk every day."

The Easy Seva center in Wennappuwa is one of 50 Telecenters-in-a-Box that have opened up across remote regions of Sri Lanka since May 2007.

The centers provide customers with wireless Internet access, personal computer usage, and broadband telephone services, which allows users such as Indra to make long-distance calls at little cost. In addition, some centers provide online training opportunities.

The pilot project that launched the Easy Seva centers was the result of a Global Development Alliance (GDA)

GET CONNECTED

between USAID, Synergy Strategies Group (SSG), QUALCOMM, Dialog Telekom, and Microsoft Corporation. Now, because the partnership has been so successful, Dialog Telekom, Sri Lanka's largest mobile phone operator, is taking over the business model. Over the next two years, Dialog Telekom expects to open a couple hundred additional centers under the "Dialog Pivasa" brand.

What is so unique about this partnership effort is the innovative, venture-capital style business model, the scalability and replicability of the model, and broader support of local entrepreneurs that provide wireless Internet access in a sustainable way.

What is a Telecenter-in-a-Box?

The Telecenter-in-a-Box model is a unique micro-franchising model whereby local entrepreneurs receive a package with all the elements needed for a successful business. Included are four personal computers, handsets, a router, and a 3G modem for fast Internet connection.

Franchisees are also equipped with a business plan, business training, access to working capital financing, equipment leasing information, technical support, and marketing materials.

"Under the Easy Seva initiative we are creating a mini-economy through a mini-business," said Dialog Telekom General Manager Nushad Perera.



ABOVE | Kanwalinder Singh, head of QUALCOMM India, seated, demonstrates services available from Easy Seva center as Sri Lankan Minister of Skills Development, Dayasritha Tissera, and his daughter look on.

How does it support SME's?

Entrepreneurs are recruited from within the communities and villages where Easy Seva plans to locate. Interested franchise recipients must have a proven entrepreneurial record as well as proof of community leadership. They also have to show how they plan to make the business sustainable and document it in a business plan.

Only after passing through strict credit and reference checks, are applicants okayed to open their franchise. To support the initiative, the National Development Bank guarantees a loan for three years.

The Easy Seva initiative represents a new approach to delivering development assistance by providing seed money for the private sector in a mutually beneficial profit-making venture.

"This project is not about charity, it's

about value-added service," Steve Schmida, principal of SSG, said. "We're bringing the Internet everywhere because it's the 'right' thing to do, but we're also presenting it as a business venture: there is a high demand for the services our partners are providing."

"This is the first step to making villagers citizens of the universe," said Mr. Dayasritha Tissera, Minister of Skills Development in Sri Lanka.

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OPPORTUNITY WINDOW:

OPEN CHALLENGES INVITE IDEAS FROM NEW ACTORS FOR BETTER PARTNERSHIPS

• BY CHUCK COON AND ELIZABETH KOUNTZE

Aware that a burgeoning pool of talent lies beyond company doors, the private sector has embraced competitive, open challenges to fuel innovation. By making innovations in technology or processes open to collaboration from others, competitions – or challenges -- help identify game-changing solutions for better development. At USAID, we have recently begun employing challenges as a means to uncover innovations that contribute to sustainable development, but also provide opportunities for alliance building.

Below learn more about how challenges draw innovation into partnerships for more sustainable development.

Sourcing tools that connect via mobile phones

USAID offered the 2008 Development 2.0 Challenge, its first-ever online, open, global challenge as part of the Global

Development Commons initiative, to promote mobile phone applications to benefit developing countries.

One of the winners of the USAID Development 2.0 Challenge, ClickDiagnostics, offers a sustainable model that helps rural healthcare workers become independent businesspeople. ClickDiagnostics links rural health workers to medical experts through SMS and mobile multimedia. The health worker sends an image of the patient and provides details of the symptoms via SMS and in return receives a diagnosis and treatment plan.

The challenge approach helps identify promising innovations in your sector to help you build better, more productive projects and sustainable alliances. Most of the solutions offered in the Development 2.0 Challenge offered applications that take advantage of existing networking resources. For example, many of the solutions achieve key activity communications through text messaging—a tool readily available on the 4,000 phones around the world.

ClickDiagnostics' telemedicine program, for example, leverages existing medical, technological, and microfinance infrastructure. RapidSMS Child Malnutrition Surveillance uses text messaging to solve a longtime data-gathering challenge to fight

famines in Malawi. And Ushahidi, which means testimony in Swahili, offers open-source software that enabled Kenyans to report and map incidents of violence they witnessed during the media blackout during the country's riots after the presidential election 2008. People can use this information from the platform to make informed decisions on safety and survival.

Explore other entries to the Development 2.0 Challenge at www.GlobalDevelopmentCommons.net by clicking on "Development 2.0 Challenge."

Searching for software solutions

In 2007, USAID SENADA partnered with Microsoft Indonesia to create the iMULAI business competition. iMULAI solicited proposals for commercially viable software with business or development applications for Indonesia's light manufacturing industries.

The winners of the first challenge include a solution that manages port activities for cargo shipments, a mobile application that manages inventory using barcodes and portable RDIC technology, and a product shipment application that manages deliveries for small- and medium- sized enterprises.

All three tools reduce management costs and increase efficiency. In addition, winners received \$25,000 plus hardware and

software from Microsoft to bring the software to market.

The competition was so successful, it is now an annual event -- last year USAID SENADA and Microsoft launched iMULAI 2.0. To learn about the competition, go to: <http://www.senada.or.id/>.

Tapping the diaspora for development - Haitian Diaspora Marketplace

In 2008, the USAID Mission to Haiti announced the launch of the Haitian Diaspora Marketplace, a business competition asking members of the U.S.-based Haitian migrant community to create business proposals that will boost employment and support development in the island nation.

Through this rigorous competition, USAID and its partner, Fondation Sogebank, aim to harness the strength of the Haitian diaspora to help provide long-term development solutions to benefit Haiti. Finalists of the competition will gain access to an entrepreneurial network and to debt and equity financing mechanisms to execute their business plans.

Winners will be invited to present their business plans at a two-day conference in Port-au-Prince to a panel of judges from USAID, Sogebank Foundation, and other Haitian business leaders. This challenge will increase resources available for job-creating investments in Haiti for small- and medium- sized enterprises as well as stimulates interest in investing in Haiti's development.

As these examples highlight, challenges provide an opportunity for collaboration among nontraditional

partners and cultivates thinking around sustainable development and business solutions. Missions are encouraged to explore how challenges can help strengthen existing partnerships and deliver better development assistance.

BELOW | iMULAI 1.0 Award winners with Mr. Walter North, USAID Mission Director to Indonesia and Mr. Tony Chen, President Director, PT. Microsoft Indonesia.



2008 USAID Development 2.0 Challenge – USAID's First Open, Global Challenge

The 2008 USAID Development 2.0 Challenge made an open call to the world. It asked participants to offer applications that add development value for users of mobile phones – the most readily-available communication tool in developing countries.

"All of us are part of a sea change in information flow and transparency," said Erik Hersman of Ushahidi, one of the winners of the USAID Development 2.0 Challenge.

Winners Ushahidi, ClickDiagnostics, and RapidSMS Child Malnutrition Surveillance—a team from Columbia University's School of International and Public Affairs—were selected from the 115 budding entrepreneurs from around the world. They each received grants of up to \$10,000, key networking opportunities and a day of business development seminars.

Kirsten Bokenkamp and five other Columbia students developed the first-place winner, RapidSMS Child Malnutrition Surveillance, which enables more timely access to more accurate nutritional data in a more manageable format, thereby helping the Malawi government make better informed public health decisions.

"By changing a very little thing, health workers in Malawi could transmit data that were previously written and mailed and then entered manually into a database," Bokenkamp said. "We hope it's scaled up and used as a model elsewhere."



LEFT | The winner of the USAID Development 2.0 Challenge, Kirsten Bokenkamp (left).

NEWSCLIPS

THE PARTNERSHIP FOR THE FUTURE OF ALCHEVSK NAMED ALLIANCE OF THE YEAR

On December 17, 2008, USAID's Global Development Alliance awarded the Industrial Union of Donbass Corporation and the City Council of Alchevsk with the 2008 Global Development Alliance of the Year award for its efforts to promote community and economic development through the Partnership for the Future of Alchevsk.

The Partnership for the Future of Alchevsk brings together the USAID Mission in Ukraine, the Industrial Union of Donabass Corporation -- a steelmaker -- and the city council in a \$10 million effort to create jobs, introduce sustainable finance, upgrade water and communal waste management systems, and engage citizens in decisions affecting the building of their own community.



ABOVE | Industrial Union of Donbass Director of Corporate Affairs Vasili Arbuzov accepts the Alliance of the Year Award from Doug Menarchik, Former Assistant Administrator, USAID Europe & Eurasia Bureau.

HIGHLIGHTS FROM THE PARTNERSHIP REPORTING SYSTEM

Missions have been reporting partnership data through a GDA online system launched in June 2008. Since then, GDA has been tracking and reporting this data on its website and to USAID leadership. This valuable information has provided a window into partnership activity across the Agency.

DID YOU KNOW in FY 2008, USAID Missions...

- Created more than **225** new partnerships
- Engaged more than **383** potential private sector partners
- Made **43** presentations to the private sector and secured **24** articles or related press coverage on partnership activities

In February 2008, GDA announced that the online reporting system would change from monthly to quarterly reports in order to reduce the reporting burden on Missions and more accurately represent the time it takes to build quality partnerships. In each summary report, the GDA highlights one new partnership, potential partner, and other partnership effort gleaned from the Mission report. If you have an activity you would like highlighted please email gda@usaid.gov.

"What is so unique about this partnership is not only the approach but the process of applying a series of successful programs to create a "critical mass" of economic and community activities in support of the Alchevsk's long-term growth and development," said USAID Mission Director to Ukraine Janina Jaruzelski.

"The Partnership for the Future of Alchevsk has already made significant progress in helping the city achieve its two main priorities –

to develop communal infrastructure and create favorable conditions for small and medium size businesses."

The award is given annually by the GDA office to recognize outstanding public-private partnerships that address significant development challenges around the world.

To learn more about the Partnership for the Future of Alchevsk, please see the GDA Website (<http://www.usaid.gov/GDA>)

A WORD FROM MICROSOFT : WHY WE WORK WITH USAID

• BY COREY GRIFFIN

Microsoft believes that development is about enabling people to realize their full potential. We also believe that partnership between the public and private sectors is vital to make it a reality. This philosophy forms the basis of Microsoft Unlimited Potential, our commitment to bring the benefits of technology to the next billion people by 2015. It is also at the core of our collaboration with USAID.

USAID is one of the world's most important development agencies and a source of life-changing expertise, resources and commitment for poor people and struggling communities worldwide. USAID and Microsoft share common objectives to eliminate extreme poverty, empower women and girls, achieve universal education,

improve public health, and promote environmental sustainability and economic opportunity. As a software company, Microsoft contributes to these goals by making our technology expertise and solutions available as a tool for development - and by working in multi-stakeholder public-private partnerships (PPPs).

Building on five years of collaboration, USAID and Microsoft signed an official global partnership agreement in October 2007.

The focus of our partnership is to enable social and economic development. While Microsoft provides technology and business expertise, USAID brings in-depth knowledge of development and local issues, a rich network of international aid organizations, and access to national and local government representatives.

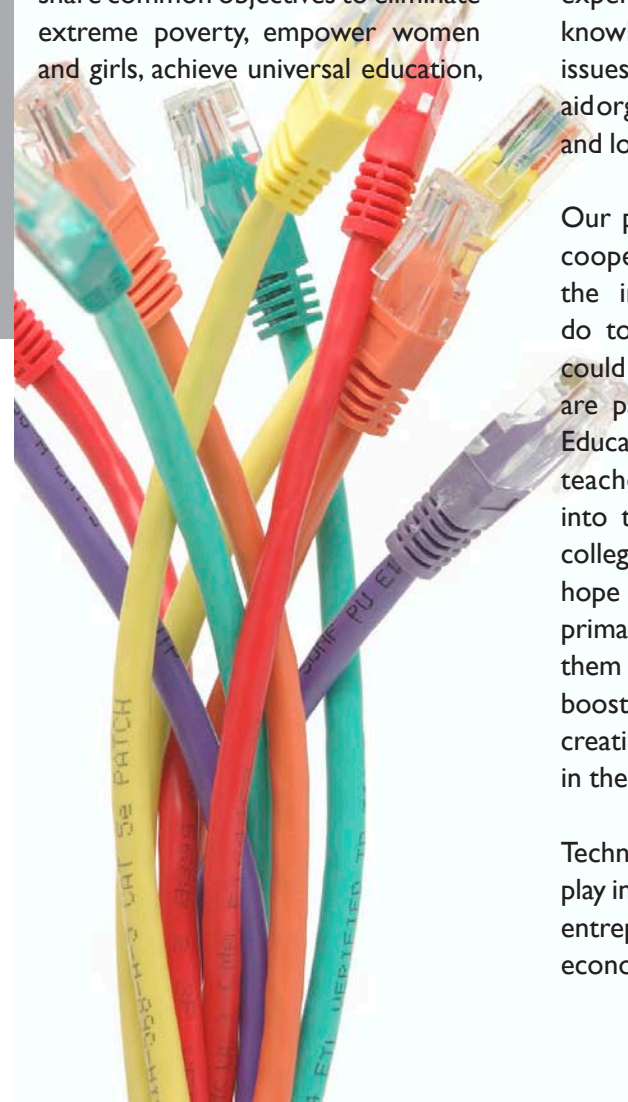
Our partnership is about more than cooperation: it's about expanding the impact of what partners can do together compared to what we could do on our own. In Kenya, we are partnering with the Ministry of Education, Cisco and Intel, to train teachers to integrate technology into teaching in 22 teacher training colleges. Through this partnership, we hope to impact Kenya's 8.5 million primary school students by providing them with technology skills, in turn boosting national employment and creating a workforce that can compete in the globalised knowledge economy.

Technology also has a major role to play in stimulating local innovation and entrepreneurship – key foundations of economic development. In Indonesia,

we worked with the Indonesia Entrepreneurship and Agribusiness Development Activity (SENADA) to establish the "iMULAI" business competition where participants are challenged to find technology solutions to real business problems. In 2007 and 2008, this business competition has helped to support development of the local technology industry. Winners of the competition include PORTMAP, a Web-based port management application for port facility use and cargo loading and MAINS, a software application that uses mobile devices to perform inventory management.

We are also working in Eastern Europe to help entrepreneurs establish technology companies and create new local IT solutions. In Croatia for example, we support a technology center that provides small and medium sized businesses with business training, information technology and a demonstration and testing lab. The center acts as an incubator for start-up companies and teaches them about bringing products to market and building a competitive business in the IT sector.

These are a few examples of how USAID and Microsoft, through the power of partnership, are extending the reach and impact of our programs and resources. Our joint work aims to help people and communities around the world to realize the benefits of technology for development in practical, life-changing ways. Microsoft is proud to work with USAID and its dedicated, inspiring people to foster global human development.



WHAT IS DEV (+) ?

Dev (+) represents a new way of thinking about development. Rather than continuing with the status quo, Dev (+) encourages thinking outside the box, challenging the way we approach development. The Series is based on this premise, and will cover a range of themes, including:

Innovation and Technology: What innovations and technologies are defining the next generation of sustainable development?

Investment and Solutions: Where is investment flowing - and where is it yet needed - to ensure viable, effective development in the longterm?

Social Enterprise and Impact: Who are the people and what are the products set to have the greatest development impact, now and in the years to come?

Action: How do these three thematic areas overlap, what gaps need to be filled, and what can be done now?

PAST EVENTS:

Beyond the Last Mile: How ICT is Transforming the World 1.29.09

Breakthroughs in Biotechnology: Fighting Disease & Poverty 10.22.08

Going Green in the Developing World: Climate Change, Clean Tech & Development

March 17, 2009
3:30-5:00 pm
Copley Hall,
Georgetown University



>>> continued from page 1

“But we are still missing a few pieces.”

The solution, he said, seems to lie in connecting the dots by engaging the various public and private actors working to bridge the digital divide so that developing countries have access to the internet and the skills to benefit from it.

“At USAID we are talking to a lot of business people and building partnerships to develop new business models that will harness markets to move technology beyond pilot projects,” said Mr. O’Brien to the standing-room only crowd attending the Jan. 29 seminar which was part of the three-part Development Plus Seminar Series. (See “What is Dev (+)” to the left). “It’s not a silver bullet solution, but it’s a way to get existing, innovative technologies out there.”

Big companies such as Cisco Systems and Intel Corp like this collaborative approach which leverages the strengths and comparative advantage of partners. What’s more, both companies insist their participation in partnerships with USAID in the developing

world is not about philanthropy.

“That is a one-way transaction,” said Catherine Stewart of Cisco. “Social investment has become more and more important over the years and provides benefit to you as well as the other person.”

Companies such as Cisco and Intel don’t just give, they are helping to expand their market reach through partnerships. For example, in more than 40 least developed countries in Africa, USAID and Cisco have worked together to provide disadvantaged youth and women with opportunities to learn networking skills at the company’s Networking Academies. As a result of the training, at-risk populations learn skills that make them more competitive in the global marketplace. In return, Cisco is cultivating a generation of network administrators across the developing world, enabling more companies to tap into the global ICT infrastructure and adopt Cisco technologies,

Another approach employed by Intel is the “broadband for all” model, said Matthew Taylor of Intel. By working with USAID and other

ABOVE | Matthew Taylor of Intel describes the company’s World Ahead program and partnership with USAID at the recent Dev (+) seminar series on ICT for development.

partner organizations, the company can provide “low cost access to WiFi.” Mr. Taylor likened access to broadband to the provision of water because it “meets many, many needs.”

For smaller companies, the incentive to work with USAID and others is to gain access to much needed resources and networks while also working to “get the tools of ICT in the hands of those in rural and underserved areas,” said Wayan Vota of Inveneo, a non-profit social enterprise that designs custom solutions for non-governmental organizations working in the developing world.

Inveneo creates solutions that help technology withstand conditions on the ground in rural areas. It has developed customized hardware built to withstand heat, dust, an unstable power source, and even killer bees – which like to nest in electronics. Despite a team of just 13, the organization’s reach is exponentially greater. Mr. Vota estimates Inveneo

TIPS FOR BUILDING ALLIANCES IN A BAD ECONOMY:

1 Make alliance building more strategic from a business perspective. This is not the time to cut back on alliance building efforts; rather it is time to seek alliances that are smarter, more efficient, and effective. Partnership efforts should be designed to provide maximum value for the beneficiaries while also delivering benefits and speaking directly to a company’s core business interests.

2 Understand your partners’ needs. To create more strategic partnerships, alliance builders need to understand the business challenges the private sector faces.

has reached a million beneficiaries by adapting technologies to conditions on the ground.

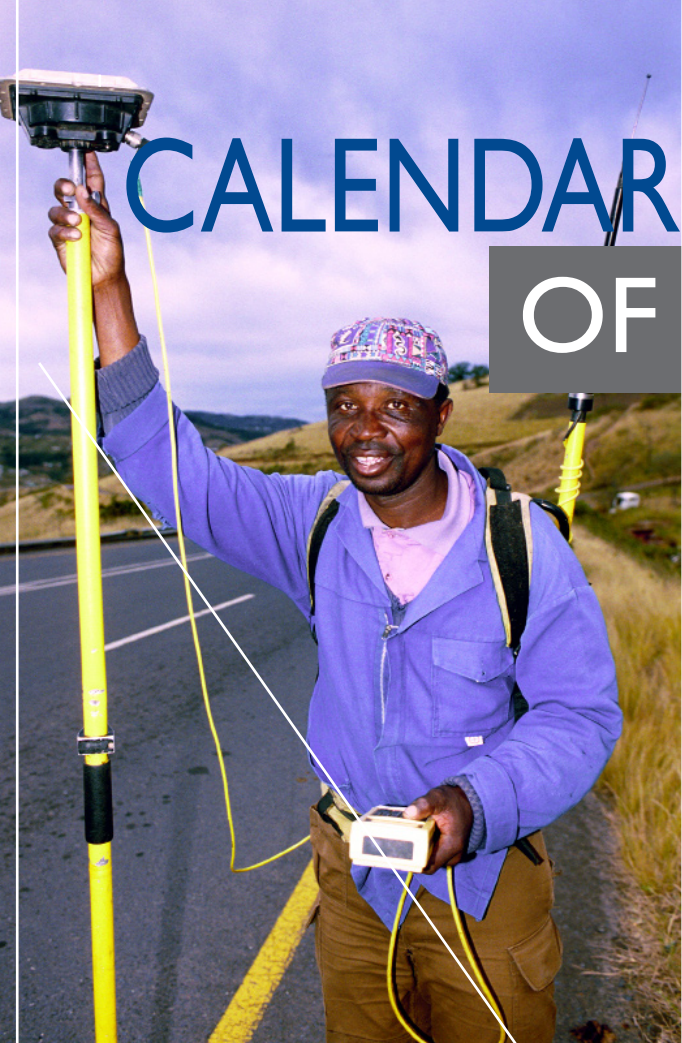
Often, innovations occur at the margins and on a small scale. Understanding this, development organizations and partners have begun to “crowdsource” through competitive open challenges so that innovation can spring up to large actors, who can integrate the best ideas into development projects to benefit more people. Glenn Strachan of TechSoup Global, a non-profit organization that helps small non-profits secure technology at minimal cost, highlighted how NetSquared, an

3 Approach partnerships with a longer-term view. Take this opportunity to deepen existing relationships and explore future partnership opportunities. Companies have told us they are not withdrawing from emerging markets, but proceeding cautiously.

4 Cast a wider net. Broaden your potential partner horizon to include local and regional partners as well as multinationals. It is also important to remember that not all industries are seeing a downturn in their business right now. Some businesses such as discount retailers, food processors, information and communication technology firms, and pharmaceutical companies are still doing well during this down economy.

initiative of TechSoup Global, works with other organizations to use the social networking tools to find solutions to development challenges.

The potential to reach the world’s poor with affordable and useful information is immense as innovations in ICT help make the technologies more readily available in the developing world. But the development benefits of access to ICT can only fully be realized when partners work together to leverage the technologies, experience, and expertise for pragmatic innovation that could truly result in transformational development.



CALENDAR

OF

EVENTS

DEV (+) SEMINAR SERIES:

CLIMATE CHANGE, CLEAN TECH & DEVELOPMENT 3.17.09

Georgetown University, Copley Hall 3:30pm-5pm

2009 GDA ALLIANCE BUILDERS FORUM 3.23.09-3.26.09

USAID Washington

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INTEL GLOBAL MOU EXPANDS TO NIGERIA

As part of a global agreement that seeks to expand access and exposure to a technology in classrooms, USAID and Intel Nigeria launched a new partnership to provide teachers in Kano State, Nigeria with computer literacy skills.

The partnership, which is part of the USAID program Community Participation for Action in the Social Sector (COMPASS), coordinated a five-day training program for lecturers at the Saadatu Rimi College of Education on the use of ICT in the classroom. The partners also donated 20 specially equipped computers to the college.

The program is designed to employ a “train-the-trainer” approach. Lecturers who participated in the original training are expected to teach 10 others how to use a computer to prepare lesson notes or assignments for students in order to improve teaching and learning.

“Now we know how to use the PC to teach without using paper or board...” said Mallam Salihu Inuwa Gigiyun, head of the Department of Primary Education Studies at the school. “This is an advanced way of teaching and learning.”

This partnership is the latest addition to the growing complement of joint activities that span the globe through the USAID-Intel Global Framework.