

## Outlook for Public-Private Global Development Initiatives Interview with Daniel F. Runde, USAID Global Development Alliance



As of April 2007, Daniel F. Runde will be Head of the Partnership Development at the International Finance Corporation (part of the World Bank Group). From 2005-2007, Mr. Runde was Director of the Office of Global Development Alliances at the US Agency for International Development.

**The Corporate Citizen (TCC): Public-private alliances are a popular topic. What are they really all about, and what is the driver of this increased interest?**

**Daniel Runde (DR):** The world as we know it has changed. First, in the 1970s, 70% of resources from the U.S. to the developing world was from official development assistance (foreign aid) and 30% was foreign direct investment, remittances, and private giving from individuals, religious groups, NGOs, and foundations.

Today, about 85% of resources from the U.S. to the developing world are some private transaction and only 15% is a result of foreign aid. This massive shift in resources has been a result of globalization in terms of companies, migration flows, and technology bringing the world closer together.

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Second, development agencies such as USAID, companies, foundations, and others realize that we can oftentimes have a greater impact bringing our money, networks, expertise, and reach together.

Third, there has been a demonstration effect with specific events and partnerships that have caused various actors to pause and take note.

Fourth, changes in the operating environment including the evolving thinking about corporate citizenship has driven companies to reach out for other partners who can help them.

**TCC: What are some of the best alliances you've seen, in terms of community-level impact in developing countries?**

**DR:** The best alliances with companies are the ones that have a link to a company's bottom line. This guarantees senior management commitment, access to technology and internal political will to get projects done.

One example would be our work with food companies such as Mars on improving the productivity of cocoa farmers in West Africa. USAID, Mars and other buyers of cocoa have co-funded projects to teach farmers the most effective techniques for cocoa productivity while minimizing diseases. The cocoa companies finance research, have grant money, and also offer their supply chain buying power. USAID has monetary resources, years of expertise working in Africa and we have relationships with implementing NGOs and local governments.

By working together, we help small farmers double their production of cocoa putting more money in the pockets of farmers while assuring a reliable supply of cocoa for everyone who eats chocolate.

Another example is our work with technology companies on vocational-technical training. USAID, in partnership with Cisco, brought the Internet to several African countries in the late 1990s. USAID seeks to ensure that young people have marketable skills for the global economy. Cisco and other technology companies see emerging markets as a key part of their business future.

It is projected that 2 million trained computer installers will be needed worldwide to install and maintain computer networks. Cisco brings up-to-date curriculum (Cisco Certified Network Associate credentials) and we split the costs of computer equipment and trainers.

To date we have helped Cisco set up network academies in dozens of countries training 10,000 students with 30% female participation in developing countries including Afghanistan.

**TCC: What were the keys to success in the above examples?**

**DR:** In each case, the activity aligned with the company's business interest and also aligned with USAID's development interests.

Partnerships only work where there is an overlap between corporate and development agency interests. Ascertaining implicit interests and constraints on topics such as: geography, development theme, size of resources and approach to solving the problem (e.g., NGO implementing partners) takes significant time. Developing trust and fluid working relationships are critical.

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**TCC: What role does the Global Development Alliance (GDA) play in public-private alliances?**

**DR:** The GDA office can serve as a first point of contact for a company or a foundation as it thinks about approaching USAID. Internally, the GDA office has worked to improve the internal systems to take better advantage of these partnerships. We have also managed a small incentive fund for innovative partnership ideas that mesh with USAID strategic priorities.

**TCC: How can GDA be a resource for companies that have an interest in participating in global economic and social development? How can they reach your office?**

**DR:** The GDA office should be a company's first stop at USAID. We can help translate or point you in the right direction. We can also bring together the right geographic and technical specialists. We meet with company representatives several times a week.

We are also interested in staff exchanges. We recently had a very successful two-way staff exchange with Intel. We are looking for capable corporate professionals with differing skills to help us look at development problems. Many companies have developed sabbatical/secondment programs and we think USAID is a great place for companies to send their professionals.

Companies should call Jim Thompson the Acting Director of the GDA at (202) 712-4272. Please visit our website at [www.usaid.gov/gda](http://www.usaid.gov/gda).

I will be reachable at the IFC starting April 9th at [drunde@ifc.org](mailto:drunde@ifc.org).

**TCC: What should every corporate citizenship manager know about the opportunities and challenges associated with public-private alliances?**

**DR:** Alliances happen when we find the overlap of interests. These alliances lead to better outcomes and greater leverage of each others resources. The challenges include making sure that both sides keep their promises and making sure that we understand what each other is saying.

*"Working in partnership is an approach. It is not a silver bullet for every corporate citizenship initiative but it is going to be a permanent and growing part of corporate citizenship because no one can solve the pressing development challenges alone."*

**TCC: Final thought — what does the future hold for global development?**

**DR:** Working in partnership is an approach. It is not a silver bullet for every problem or every corporate citizenship initiative but it is going to be a permanent and growing part of the corporate citizenship landscape because no one can solve the pressing development challenges alone.

There is much to be gained by working in partnership and companies want to extend their limited funds and share risks. Becoming a good partner means caring for your "partnership brand" in the increasingly liquid "partnership marketplace." It means allocating human and financial resources to

build and manage partnerships, make changes to institutional practices to make this easier and it means having a strong relationship management component to your development or corporate citizenship work.

My job did not exist six years ago. I am leaving USAID to go to work at the IFC in a newly created role as head of partnership development -- a job that did not exist until now. Other bilateral donors in Europe and elsewhere are doing the same.

I look forward to working with BCLC's members and staying involved with BCLC in my new role.

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