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SUMMER 2009



Alliance innovations

THE NEWSLETTER
OF THE
GLOBAL
DEVELOPMENT
ALLIANCE.

FEATURE ARTICLE: Tackling Climate Change

Facilitating Access to Private Finance to Mitigate Climate Change

• BY ANAY SHAH

Energy powers development in all sectors. It moves water. It is vital to communications. It turns on computers to bring schools into the 21st century, and lights, heats, and cools health clinics around the world.

But the way this energy is produced and used has the potential to harm the environment and contribute to global climate change.

As developing countries grow, they are faced with ever-increasing demands for adequate energy services; however, many countries face a range of significant barriers to

the implementation of clean energy options as a way to meet these needs in a sustainable, climate-friendly way.

Often clean energy projects encounter difficulties in attracting private financing because project developers and sponsors don't know how to give the right "pitch" for resources. The Private Financing Advisory Network (PFAN) was established to bridge this gap between a good idea, a bankable proposal, and sources of private clean energy finance.

USAID joined PFAN to expand the initiative from a pilot to a global network and to facilitate access to this innovative clean energy financing tool by Missions interested in clean energy.

PFAN, a Global Development Alliance, connects small- and mid-size clean energy project developers

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Lessons learned from partnering with extractive companies

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DID YOU KNOW?
USAID partners with ConocoPhillips in Timor Leste

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PROFILE
Advice from GDA's Alliance Builder of the Year

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MESSAGE FROM THE GDA:

A RENEWED COMMITMENT TO PARTNERSHIPS

“...By combining our strengths, governments and philanthropies can more than double our impact. And the multiplier effect continues if we add businesses, NGOs, universities, unions, faith communities, and individuals. That’s the power of partnerships at its best – allowing us to achieve so much more together than we could apart.”

Secretary Of State Hillary Rodham Clinton, April 22, 2009

For the last eight years, USAID has set a standard for innovation and creativity through partnerships. From microfinance to information and clean energy technologies, we’ve been working with the private sector to provide loans to the very poor, get technology into the hands of those living in the most remote villages, and create greener energy options. And our combined efforts have not gone unnoticed.

The U.S. government, under the leadership of President Barack Obama, has urged closer cooperation between the government and private industry. This commitment was recently articulated by Secretary of State Hillary Rodham Clinton at the Global Philanthropy Forum when she pronounced that she is “opening [the] doors to a new generation of public-private partnerships.” The renewed commitment to partnerships is to be led and facilitated by the newly-created Global Partnership Initiative at the State Department, which will be headed by Ambassador Elizabeth Bagley, a senior advisor to Secretary Clinton.

At USAID, we are ready to support the Secretary’s goal of expanding existing partnerships while building new ones that benefit those countries we serve. Administration priority areas for development lie in youth and education, food security and agriculture, climate change and environment. In the coming weeks and months, we aim to support these efforts through greater engagement with targeted private sector partners that have also identified these fields as potential areas for investment.

In this issue of Alliance Innovations, we feature environment partnerships that are trying to help developing countries become more responsible stewards of the natural world around them. We hope that you enjoy learning more about this important area of development, and that this stimulates your alliance building efforts.

Sincerely,

Jerry O’Brien
Acting Division Chief, USAID Global Development Alliance

CROWD FILLS GEORGETOWN HALL FOR USAID-COSPONSORED “GOING GREEN” SEMINAR

• BY CHUCK COON, DAI

A VIP panel on March 17 debated and envisaged ways to bring clean energy into the global mainstream during a standing-room-only seminar at Georgetown University’s Copley Hall.

At “Going Green in the Developing World: Climate Change, Clean Tech and Development,” most agreed that developing green technology, and the institutions to implement it, would take work; more importantly, panelists said, changes to public policy could help encourage the investment needed to ultimately develop and produce cleaner energy that would be deliverable to the masses.

One of the main themes of the conversation was articulated by Griffin M. Thompson, program manager of the State Department’s Asia-Pacific Partnership, and one of five panelists at the seminar: “How do we transform policies to get the private sector to come in and invest?”

“It takes a huge amount of time to advance renewable energy technology,” added Christopher Flavin, president of Worldwatch Institute. “Countries are riding these tremendous learning

curves, and they’re playing out in country after country.”

Private sector engagement can be a catalyst for this change. For example, Flavin noted that mobile phone technology leapfrogged traditional communications infrastructure in many developing countries -- often because mobile technology infrastructure was supported by private sector investment. As business interest in mobile technology grew, so did investment in infrastructure.

These countries could also apply this model to support clean energy infrastructure from the ground up, by making clean energy an attractive business opportunity for the private sector. Of course, to attract the private sector into clean technology infrastructure investment, countries need to adopt the appropriate policies.

“Are these countries going to be at the front of the curve, policy-wise, to shepherd these renewable energy technologies?” said Flavin, adding that those who are will be positioned to take advantage as possibilities expand for cleaner energy sources, such as solar, hydro, wind, and bio-diesel.

And it isn’t just a question of start-up costs. It was noted that banks, under the current economic crisis, are naturally inclined to finance energy initiatives with low-capital needs and highly salable products, such as



ABOVE | Christopher Flavin of WorldWatch Institute addresses a standing-room-only crowd at Georgetown University

coal, instead of initiatives working on renewable energy sources with high start-up costs and low immediate return, such as wind and solar. Therefore, the challenge remains to attract and keep businesses interested in clean technology for the long term.

Samuel Shiroff, director of growth markets international sales for Bosch Siemens Home Appliances Group, said manufacturers make decisions on what products they produce, and what they research and develop, based on financial reasons. Manufacturers, he said, need regulatory clarity and benefits in order to venture toward “greener” pastures.

The other panelists, including Robert Freling, executive director of the Solar Electric Light Fund, and Andrew Aulisi, director of the World

Resources Institute’s Markets and Enterprise Program, also supported the public-private approach toward clean energy technology adoption.

Kristi Ragan of DAI, chief of party for the Global Development Alliances Support Services Program, closed the seminar which was sponsored by USAID’s Global Development Alliance, Georgetown University, the Society for International Development, and DAI.

“None of these challenges has a magic bullet to solve them,” Ragan said. “But that is where the opportunities are.” By looking at the climate change challenge as a business opportunity, the burden of developing and implementing clean energy technology is taken off developing countries and opening the door to prosperity for all.



OPPORTUNITY WINDOW:

PARTNERSHIPS WITH THE EXTRATIVES INDUSTRIES: LESSONS LEARNED

• BY AFIYA MCLAUGHLIN-JOHNSON

Natural resources in developing countries can offer the promise of economic and social development and prosperity. The oil, gas, and mining sectors, known collectively as the “extractive” industry, provide communities with employment opportunities as well as necessary infrastructure such as roads, water, electricity and more. Of course, this industry is not without its downside, with the opportunity for corruption, exploitation, and conflict great. Because of this “resource curse,” many USAID Missions have not traditionally engaged with extractive companies working within developing countries.

Despite these concerns, Robert Hellyer, Mission Director to USAID/ Ghana, has determined that there can be tremendous value to be had by working with key extractive companies to the benefit of local communities. Mr. Hellyer has built Global Development Alliances (GDA) with extractive companies in Angola, the Democratic Republic of Congo, and Ghana. Here, he shares lessons learned from working with the extractive industry.

• **The U.S. government has set a high bar in terms of adhering to transparent governance, environmental security, human and social principles.** Specifically, the U.S. has endorsed and ratified principles specific to the extractive industry, including the Extractive Industries Transparency Initiative and additional voluntary benchmarks such as the Equator Principles. These principles promote “best” business

practices related to transparency, human rights, and security as well as on environmental practices.

These principles should guide USAID as it enters into partnerships, and all parties should buy into these principles prior to the development of an alliance. USAID should not pursue a partnership with a company if there is not agreement to support and conform to these standards. Experience has shown that limited commitment to these principles will negatively impact the alliance and result in delay, postponement, or even curtailment of partnership activities.

• **Each alliance partner has expectations about the partnership outcomes, it is key to understand and articulate these in the Memorandum of Understanding (MOU) agreement.** The public and private sectors are very different institutions with different organizational objectives. Because of these differences, there will be some natural tension about the expected outcomes of partnership. It is vital that these differences be discussed and common expectations be set at the beginning of the alliance and throughout the life of the project. This helps keep alliance partners honest about the alliance goals and achievements, and ensures the durability of the relationship.

• **A successful alliance with an industry leader may lead other companies to enter into alliances with USAID.** In Angola, Chevron-



ABOVE | USAID/Ghana Mission Director Bob Hellyer

Texaco and USAID/Angola signed an agreement to partner on a multi-million dollar alliance. As soon as the ink was dry, other oil companies began to express interest in creating partnerships with USAID. Not only is it thought to be prestigious to be working with the U.S. government, but other companies see the real benefits and rewards of working on projects that benefit the local communities they operate in.

• **Regular and open communications is the key to success.** Partnerships flourish when all partners talk on a regular basis throughout the life of a partnership. Alliances with the private sector require sustained effort in order to make sure that they constantly contribute to jointly-defined development goals.

FACILITATING ACCESS TO PRIVATE FINANCE TO MITIGATE CLIMATE CHANGE

>>> continued from page 1

with international financiers and financial consultants to improve the financial viability of climate-friendly energy projects and leverage private sector financial resources.

Starting from the early proposal stages, PFAN helps project developers fully develop their ideas and effectively communicate with their potential financiers. For financiers and consultants, PFAN provides access to small- and medium-sized clean energy markets that would normally be prohibitive because of high transaction costs and risks.

During the pilot phase, ten projects were selected to receive PFAN support. Of these initial 10 projects, a small hydroelectric power station in Mexico and a bio-diesel refinery in Brazil that have subsequently been brought to financial closure raising a total of \$35 million in private sector investment.

Today, PFAN has expanded its networks to cover Asia. In March, PFAN co-organized the Asia Forum for Clean Energy Financing in Singapore, with the Climate Technology Initiative (CTI) and the ECO-ASIA Clean Development and Climate Change Program, drawing more than 120 industry experts and investors from the ASEAN region.

The Forum hosted the Clean Energy Financing Award, an award provided to three entrepreneurs who submitted the strongest clean energy business proposals. The three winners, selected by a panel of experts, are now receiving additional funding support and

consultant services to help move their projects toward financial closure.

In parallel, USAID and the State Department committed to developing a PFAN sub-network in China through the ECO-ASIA Clean Development and Climate Change Program. Already the organizations have hosted a roundtable in Beijing, drawing in investors, bankers, and clean energy project entrepreneurs with the goal of scaling up the financing of clean energy businesses and projects. The network is moving on next steps, which calls for a China-specific clean energy entrepreneur business plan



ABOVE | Biomass material converted to clean fuel pellet using densification technology

competition to be held this September in Hong Kong. The competition is aimed at identifying profitable, clean energy businesses and projects that have the potential to be replicated or scaled up, are socially responsible, and create positive environmental impact.

In addition, to the China Forum, PFAN is working with partners to host investor fora in the Philippines, Indonesia, and Brazil. Through these competitions, dozens of new projects get the recognition and exposure needed to attract the private financial support necessary for them to take the step from conception to reality.

So, what's next on the agenda? A dozen new projects are currently undergoing initial review and analysis with a view to bringing them into the development pipeline including a small hydro facility in China, biofuels facilities in Mozambique and Zambia, a solar lighting project in Laos, and waste to energy projects in Sri Lanka and South Africa

Also, PFAN is a continually growing financial advisory network that is currently supported by the International Energy Agency's Climate Technology Initiative, the International Center for Environmental Technology Transfer in Japan, the Renewable Energy and Energy Efficiency Partnership (REEEP), and more than a dozen private sector companies including the LaGuardia Foundation, FE Clean Energy, E+Co, ReEx Capital Asia and Pan Pet Ltd.

Alliance Builders, entrepreneurs, and other interested parties can learn more about PFAN on the Global Climate Change Web site: http://www.usaid.gov/our_work/environment/climate/ or contact the GDA office for more information at gda@usaid.gov.

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NEWSCLIPS

KAZAKHSTAN'S DAIRY FARMERS CASH IN WITH HELP FROM ALLIANCE

Dairy farmers at two pilot farms in Kazakhstan saw milk production increase by 20-40 percent, and profits at one farm rising by \$1100 a day in the last year thanks to a new sustainable dairy alliance.

The alliance, which brings together USAID, Winrock International, Kencove Farm Fence, Fisher & Thompson, the Dairy Union of Kazakhstan, and the University of Vermont, introduced rotational grazing and other sustainable dairy production practices that can increase productivity, profitability, and environmental quality at the two pilot farms.

The farms, which are operating outside Almaty and Ust Kamenogorsk, also saw feed costs fall by 67—70 percent. Greater increases in productivity and profitability are expected as the quality and density of the pastures continue to improve.

In Kazakhstan, where farm profit margins are razor thin, even small increases in profitability provide farmers with significant improvement to their quality of life. News of these dramatic improvements has generated tremendous interest, and project staff have already trained about 200 hundred farmers

and agricultural specialists on improved farming techniques.

2009 INDEX OF GLOBAL PHILANTHROPY SHOWS REMITTANCE FLOWS REMAIN STRONG

On April 27, the Hudson Institute released the Index of Global Philanthropy and Remittances for 2009. The Index, which provides a measure of global private giving, once again demonstrates that remittance flows continue to make up a larger percentage of resource flows to the developing world than official development assistance and private philanthropy.

In 2008, remittance flows grew by 9 percent from the year before to an estimated \$305 billion. And although remittances, or money sent from migrants living in the U.S. back to relatives in their home countries, have declined in the first half of 2009, they are expected to play a critical role in helping developing countries weather the economic storm.

In addition, this year's Index highlighted important new trends in giving, including the rise of social entrepreneurs and venture philanthropists and their role in helping millions in the developing world start their own companies and create jobs for others. Access the full report on the Hudson Institute website at www.hudson.org.



USAID, JOHNSON & JOHNSON LAUNCH ALLIANCE TO EDUCATE RUSSIAN STREET YOUTH ABOUT HIV

A public-private alliance between the USAID, HealthRight International, and Johnson & Johnson was announced last month to prevent the spread of HIV and increase access to treatment and care among street children and other vulnerable youth in St. Petersburg, Russia. This newly-launched partnership builds on a previous collaboration between the U.S. government and Johnson & Johnson, which established the first municipal drop-in center for street children and HIV-positive youth in St. Petersburg.

"We are very pleased to join Johnson & Johnson and HealthRight International in a partnership to reach the most vulnerable youth with critically needed HIV prevention messages and services," said Leon Waskin, USAID Mission Director in Russia. "I also want to thank the government in St. Petersburg for their support for this effort, both in

the past and going forward, which is so important for the project's success."

Over the past decade, Russia has experienced one of the fastest growing HIV/AIDS epidemics in the world. There are an estimated 10,000 street children and youth in St. Petersburg, many of whom struggle with substance abuse and other behaviors that increase their risk for HIV/AIDS. Studies have shown that this group in particular has high rates of HIV infection, and is lacking access to clinical treatment and care.

USAID, Johnson & Johnson, HealthRight International and its local partner, Doctors to Children, will reach 500 vulnerable youth in St. Petersburg with HIV prevention messages and a broad continuum of services, including mobile voluntary testing and referrals to treatment and care. The project will also develop a cadre of social workers trained in HIV prevention among street youth, and disseminate a package of HIV prevention best practices to government institutions and non-governmental

ABOVE | In St. Petersburg, Russia, a trainer (green shirt) and peer educator (at flip chart) lead a group session on HIV prevention at a drop-in center for street children and HIV-positive youth.

organizations across the city.

"Partnerships such as this -- engaging the local community, non-governmental organizations, private support, and public support from both the Russian and U.S. governments -- are exactly the formula we need to ensure that children and youth in crisis not only get assistance today, but have a real chance at a future," said HealthRight Executive Director Tom Dougherty. "These projects take time and investment, but the pay-off is well worth it."

Naira Adamian, Managing Director for Janssen-Cilag Russia, the pharmaceutical division of Johnson & Johnson in Russia, agreed. "Investing in children infected or affected by the disease is a key strategy within our HIV/AIDS philanthropy portfolio," Adamian said.



USAID-CONOCOPHILLIPS INTRODUCE MODERN FARMING TECHNIQUES IN TIMOR-LESTE

On June 10, USAID and ConocoPhillips signed a memorandum of understanding (MOU) to introduce state-of-the-art greenhouse farming technology to two communities in rural Timor-Leste.

The partnership builds on the successes of the USAID Private Sector Development project in the Lequitura Special Horticultural Area, where greenhouse facilities have enabled farmers to produce high-quality vegetables year-round. Since the program began, annual incomes of households involved have nearly tripled.

Alliance Builder Cândido da Conceição played a key role in developing the partnership and MOU with ConocoPhillips. Da Conceição identified this partnership opportunity during a two-month staff rotation with the Global Development Alliance (GDA) office in Washington, DC in fall 2008.

Over the course of the rotation, da Conceição mapped the Mission's alliance opportunities according to its strategic objectives and local business interests. Partnerships are an important component for

ushering in a new era of sustainable development in post-conflict Timor-Leste. This alliance with ConocoPhillips, a major private sector presence in the country, is considered to be an important first step in developing an enduring relationship that benefits the agricultural industry and farmers.

"From what we have seen of the results of the Lequitura Special Horticultural Area, these new greenhouse facilities we are building with ConocoPhillips, linked to a strong marketing program,



ABOVE | ConocoPhillips Country Representative Peter Smith and USAID Representative Mark A. White sign the agreement to build new greenhouse facilities in Timor-Leste's highland.



ABOVE | Villagers stand in front of the greenhouse facilities at the Lequitura Special Horticultural Area. The greenhouses have enabled a group of farmer households to produce high-quality vegetables year-round.

will enable Timorese companies to increase their share of the market for high-quality vegetables in Dili. The rural communities involved will benefit exponentially," USAID Representative Mark A. White said.

In addition to building new facilities, USAID and ConocoPhillips will also work together to help community-based companies effectively market increased volumes of fresh produce grown locally.

"ConocoPhillips' venture with USAID on this agricultural program forms part of our commitment to investing in projects that will support and assist the sustainable development of the people of Timor-Leste," said Peter Smith, ConocoPhillips Country Manager, Timor-Leste.

"We believe that by providing funding to strengthen the capabilities of local farmers, businesses, and retailers to produce and market

large volumes of fresh produce, we will increase the incomes of rural households, leading to a more sustainable agricultural industry."

Through this GDA between USAID and ConocoPhillips (as operator of Bayu-Undan), approximately \$800,000 will be mobilized in support of building two more greenhouse facilities and developing community-based companies' marketing capabilities.

This is USAID's second partnership in Timor-Leste. In early 2008, USAID entered into a GDA with Cooperative Business International, an Ohio-based trade and investment company, to support the creation of a joint venture financing, marketing, and management services company involving Cooperativa Café Timor.

BELOW | Colorful peppers are just some of the vegetables grown in the new greenhouse.



BUILDING ENVIRONMENTAL PARTNERSHIPS THAT LAST:

INSIGHTS FROM GDA'S 2008 'ALLIANCE BUILDER OF THE YEAR'

• BY JENNIFER LIST

With several multi-country alliances under her belt, Dr. Mary Melnyk is a champion of using alliances to strengthen USAID's environmental portfolio. Her work on alliances such as the ASEAN Wildlife Enforcement Network, and the Asia Regional Success Cocoa Alliance have given her keen insights on building sustainable partnerships. Here, Melnyk talks about the Alliance to Promote Forest Certification & Combat Illegal Logging in Indonesia.

Illegal logging was, and still is a big challenge in Asia. In Indonesia, where an estimated 80 percent of logging is illegal, roughly 2.1 million people were affected by deforestation and related conflict between 1998 and 2002. In 2002, Melnyk, noting the lack of traction around illegal logging and the conflict it creates, saw opportunity.

"The market was demanding sustainable and good quality [wood] products, and I realized that we had a number of NGO partners who were all working on different pieces of the puzzle, but not working together," she said. With more than 1.6 billion people worldwide depending on forests for some part of their livelihood and well-being, it was a natural fit for USAID's work.

So Melnyk took action. She relied on USAID's convening power to bring together the NGOs, asked the simple question of how can we separate illegal from legal wood, and identified businesses that could also be interested in this issue.

Shortly thereafter, Melnyk made a trip to Home Depot headquarters in Georgia. Home Depot is the world's largest seller of "certified" wood products, and has been a committed advocate for sustainable wood harvesting since 1999, when the company issued its first Wood Purchasing Policy.

After meeting with Home Depot, the Alliance to Promote Forest Certification & Combat Illegal Logging in Indonesia was born. Through the partner companies and NGOs, the Alliance worked to increase the amount of certified -- or responsibly produced -- wood made available to consumers and to educate those consumers about how, and why, to buy it.



ABOVE | Mary Melnyk, recipient of the 2008 Global Development Alliance Leader's Award



ABOVE | A barcode system helps track legally sourced timber from forest to mill, part of the effort to combat illegal logging that threatens the habitat of orangutans in Indonesia.



NOMINATIONS FOR THE 2009 GLOBAL DEVELOPMENT ALLIANCE AWARDS OPEN IN AUGUST.

Start thinking about the individuals and alliances you'd like to win this year!



Of course, the challenges in combating illegal logging and forest conservation continued to loom large. However, for the first time, conservation organizations, private sector businesses, the U.S. and Indonesian governments were working together in support of sustainable forest management and conservation.

"The toughest part was getting everyone to row in the same direction," Melnyk said. But success breeds success.

As the market for environmentally correct wood continued to grow, firms such as Ikea, Lowe's, ABN AMRO Bank, and Carrefour saw how partnerships such as this one could be beneficial to business.

The World Wildlife Fund and the Nature Conservancy also joined in the effort.

Since conception, this alliance managed by USAID/Indonesia built consensus to draft a standard for legality, to simplify the over 900 regulations existing at the time, and to incorporate criteria for environmental and social responsibility.

NGO alliance partners also developed tracking systems that follow each harvested tree from forest to the factory. And worked with timber concessionaires to establish fair practices for sustainable harvesting, to set aside areas of high-conservation value forests, and to ensure investment in local communities.

The alliance was so successful in Indonesia that in 2007 it expanded to cover Malaysia, Vietnam, Cambodia, Laos, and Papua New Guinea under the Responsible Asia Forestry and Trade Alliance, which is managed by the Regional Development Mission for Asia.

Since then, USAID partners have signed memoranda of understanding with 29 forest enterprises, with commitments to improve forest management in approximately 2.5 million hectares of tropical forest with initial improvement achieved in over 600,000 hectares.

When it comes to planning successful environmental alliances, Melnyk said, USAID needs to clearly understand what drives the private sector.

"Just because we have a supply doesn't necessarily mean it fits their market," she said. "We have to keep in mind that one of their fundamental goals is profitability. It is important to see opportunities, provide seed funding and bring together people and organizations that have common interests."

Melnyk's main role in alliance building has been in the design phase. By visualizing needs and opportunities and by bringing the right people together at the right time. Most importantly, she is trying to think well into the future. Because if the partnership fits and make sense for all actors, the alliance activities will continue long into the future.

This type of creativity underscores Melnyk's selection as the 2008 USAID Alliance Builder of the Year. Her work in partnership continues – she is overseeing and analysis of trends in the Asia region that may form the seeds of new alliances. She notes that greening supply chains and clean energy tech are some of the emerging trends in which USAID can actively pursue new partnerships.

CALLING ALL MISSIONS

The Global Development Alliance (GDA) is developing an Assessment Framework for USAID Missions that are developing strategic plans to identify and target partnership opportunities. The Assessment will help Missions:

1. Analyze the business environment and business actors currently operating in or considering entry into the country, including multinational, regional and domestic actors;
2. Evaluate the opportunities and constraints in the business environment;
3. Review the range of sectors and industries whose interests may intersect with those of USAID;
4. Suggest strategies to engage potential partners; and
5. Identify programmatic opportunities for USAID in the priority areas.

Who Should Participate:

If your Mission is developing a longer-term, strategic plan, we'd like to hear from you. GDA is looking for two Missions who can serve as pilot countries for the development of the Assessment Methodology.

What is Required:

To get started, the GDA assessment team will require background information on the Mission's sectoral interests, cash portfolio, and provide suggestions on key informants located within the country. The Mission must commit to participating in one briefing/overview of the above, and either provide a staff member to work as part of the Assessment team or help identify consultants who can work with the team. In addition, Missions are asked to participate in an outbriefing to review assessment team findings, conclusions, and recommendations.

Missions interested in participating are requested to contact the GDA by July 20, Contact us at gda@usaid.gov.



USAID AND WESTERN UNION LAUNCH AFRICAN DIASPORA MARKETPLACE BUSINESS COMPETITION FOR ENTREPRENEURS

• BY JENNIFER LIST



On June 2, USAID and The Western Union Company and Foundation officially launched the African Diaspora Marketplace, a business proposal competition aimed at finding and funding the most promising diaspora entrepreneurs.

The African Diaspora Marketplace is a business competition to tap into the entrepreneurial ambitions of U.S.-based African diaspora members and leverage their know-how and assets to create business opportunities that will boost employment and economic growth in sub-Saharan Africa.

“The Africa diaspora have unique insights into their home countries and have the willingness and motivation to encourage direct investment into Africa,” said Alonzo Fulgham, Acting Administrator of USAID. “This is a unique opportunity for U.S.-based migrants to help alleviate the disparities surrounding Africa’s economic situation. Harnessing the strength of this population, estimated at 1.4 million strong, is critical to solving poverty in Africa.”

The competition, which accepts applications from June 2 to July 21, 2009 will provide winning entrepreneurs with matching grants to implement their business ideas. The total amount of grants awarded will top more than \$1 million. In addition, finalists will gain access to an entrepreneurial network and financing mechanisms to start their businesses. Some entrepreneurs may also benefit from USAID-provided technical assistance.

To submit a proposal for consideration, U.S.-based African diaspora organizations and members can log onto www.diasporamarketplace.org. Entries will be evaluated based on the strength of their business idea, management capability, sustainability, development impact, and leverage potential. Selected finalists will present their proposals before a panel of business and development experts at an awards ceremony in December.

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SC JOHNSON AND USAID PARTNER TO INCREASE PYRETHRUM PRODUCTION IN RWANDA

• BY JENNIFER LIST

Few people associate flower production with a major consumer cleaning products company like SC Johnson. But in a new Global Development Alliance in Rwanda, USAID and SC Johnson are partnering to boost production of local chrysanthemum farmers. Pyrethrum, a natural insecticide extracted from the heads of dried chrysanthemums, is an effective and biodegradable component of many consumer insecticides, including SC Johnson's Raid. Worldwide demand for pyrethrum is currently twice as high as supply.

This new partnership aims to improve yields from 400 tons of dried flowers in 2008 to 1200 tons by 2010 through farmer organization and technical assistance. By helping large co-ops of 4,000 members reorganize into smaller, more effectively managed groups, and designing lines of credit for small grower groups, USAID expects farmers will see increased yields. Additionally, the partnership will work to streamline the labor-intensive process of collection, drying, transporting, and processing pyrethrum flowers. The partnership is implemented through the Sustaining Partnerships to Enhance Rural Enterprise and Agribusiness Development project, known as SPREAD, a USAID-funded project led by Texas A&M University's Borlaug Institute.

BELOW | Pyrethrum farmers in Rwanda's Northern Province inspect their crop.

