



DEVEX REPORTS: BILATERAL DONOR AGENCIES OPEN FOR PARTNERSHIPS

A CLOSER LOOK AT 5 LEADERS
IN DEVELOPMENT PARTNERSHIPS

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PRIMED FOR PARTNERSHIP

The vast majority of bilateral donor agencies are reorganizing to better engage the private sector. But because development partnerships are a relatively new focus area, some bilateral donor agencies are more advanced than others. Operating models, contracting protocols, nomenclature, and even development approaches can differ considerably from one donor to the next.

Devex analysts took a closer look at five bilateral donor agencies that are organized to engage corporations and active in the public-private partnership space. While the profiles do not cover all the ways these donors are working with the private sector, they offer practical information for corporations interested in partnerships.



giz



Department
for International
Development



Australian Government
Department of Foreign Affairs and Trade





UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

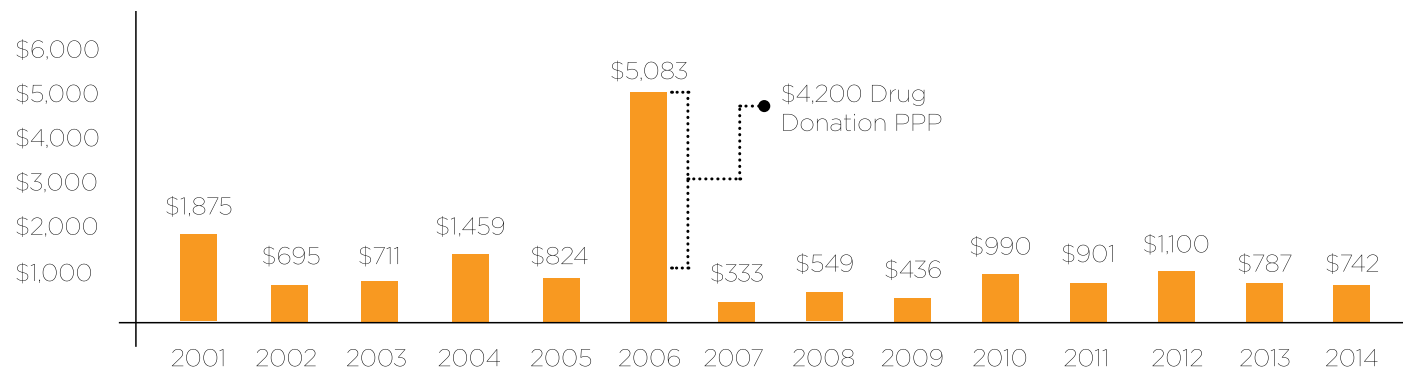
TOTAL AID (2016)	# OF PARTNERSHIPS	VALUE OF PARTNERSHIPS	# OF PARTNERS
\$22.3 BN	1,600+	\$20 BN	3,000+

- A strategic pillar for the future, USAID plans to further increase its partnerships with the private sector
- USAID provides partnership opportunities across a broad set of sectors and geographies
- Partnerships focus on fast growing middle-income countries - providing opportunities for market entry

Founded in 1961, the **United States Agency for International Development (USAID)** is the premier international development agency of the U.S. government. Although USAID acts as an independent federal government agency, it collaborates closely with the U.S. Department of State in determining policies and agency priorities. For fiscal year 2016, President Barack Obama's administration requested \$33.7 billion for its foreign aid spending, of which \$22.3 billion is managed by USAID.

PARTNERSHIPS APPROACH Responding to the changing international development landscape, the U.S. government is taking a leading role in creating public-private partnerships across the development community. Since 2001, USAID has signed over 1,600 partnerships with more than 3,000 partners valued at nearly \$20 billion. While the majority of PPPs at USAID target hard infrastructure, four major programs offer alternative partnership opportunities: **Feed the Future** (agriculture); **Global Climate Change Initiative** (Environment); **Global Health Initiative** (health); and **Power Africa** (energy).

INVESTMENT IN USAID PPPS BY START YEAR (IN USD MILLION)



Under the Obama administration there has been an increasing interest in PPPs with a focus on development finance. This has resulted in growing use of **USAID's Development Credit Authority** (DCA) and other initiatives. Similarly, localization has been a cornerstone of the administration's development policy and USAID has seen robust partnership growth in emerging and middle-income countries.

Corporations can partner with all of USAID's major programs and over 90 field missions. The processes, rules and requirements of these partnerships are set out in USAID's partnership model, the **Global Development Alliance** (GDA). Giving the rising numbers of partnerships more structure, USAID formed the Global Development Lab, a new platform to harness innovation and partnerships in 2014. Within the lab, the **Center for Transformational Partnerships** (CTP) provides overall leadership across the agency's partnership efforts, builds internal agency capacity to implement partnerships, and serves as an initial point of contact for companies interested in partnering with USAID.

CONTACTS There are three ways to get in touch with USAID for a partnership:

1 APPROACH THE MISSION	Mission Directory (https://www.usaid.gov/work-usaid/get-grant-or-contract/opportunities-funding/global-development-alliance-annual-program-mission)
2 REACH OUT TO GDA	gda@usaid.gov globalpartnerships@usaid.gov
3 CONTACT MAJOR USAID PROGRAMS	Feed the Future (https://www.feedthefuture.gov/partnership#/) Global Climate Change Initiative (ghi_comments@kmsggh.org) Global Health Initiative (climatechange@usaid.gov) Power Africa (powerafrica@usaid.gov)

PARTNERS Over 3000 different companies have partnered with USAID since 2001



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CASE STUDY

A FIGHT AGAINST MULTIDRUG-RESISTANT TUBERCULOSIS

In 2014, Belgian pharmaceutical company Janssen inked a partnership with USAID to ensure that some of the poorest and most highly burdened countries receive access to Janssen's new compound for multi-drug resistant tuberculosis (MDR-TB). The Memorandum of Understanding between the two sides ensures access to USAID's extensive experience in delivering technical assistance and strengthening public health systems and a \$30 million donation from Janssen.

Janssen's and parent company Johnson & Johnson's long standing commitment to improving public health and particularly the fight against TB formed the principal building block for the partnership. While the company introduced bedaquiline – the first new drug for TB in over 40 years – in December 2012, the challenges – particularly costs and weak public health systems – in making the treatment available to those most in need was beyond the capabilities of a single organization. Janssen's partnership with USAID leverages the donor agency's in-country presence and expertise to support public health systems in high-burden countries to maximize the donation. So far thousands of patients have received treatment across 37 recipient countries.



Source: Devex interview with Adrian Thomas, Vice President Public Health, Johnson & Johnson

DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT

TOTAL AID (2016)	# OF PARTNERSHIPS	VALUE OF PARTNERSHIPS	START DATE OF PPPS
\$2.3 BN	2,000+	\$1 BN	1999

- GIZ, has strategically focused on public-private partnerships (PPP) since the launch of develoPPP.de in 1999
- Agriculture, the environment, and sustainable economic development are priority partnership sectors
- PPP's at GIZ are demand driven with East Asia receiving the most funding

The **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH** is a federal enterprise that supports the German **Ministry for Economic Cooperation and Development** (BMZ) to achieve its objectives in the field of international cooperation for sustainable development. The agency effectively acts as the primary technical and strategic adviser and contractor to BMZ. With its 17,319 staff in over 130 countries, GIZ's business volume exceeded \$2.3 billion (€2.1 billion) in 2015 alone.

PARTNERSHIPS APPROACH GIZ, has been a longstanding donor in public-private partnerships (PPP) since the launch of **develoPPP.de** in 1999. The PPP program implemented with two other German agencies, DEG and Sequa, allows German and EU-registered companies and their subsidiaries in developing countries to partner with GIZ, with both parties providing funding and expertise. From 1999-2016, GIZ together with its partners facilitated more than 2,000 PPPs, raising over \$1 billion in combined public and private resources in various countries around the world.

Based on robust demand, East Asia received the most GIZ funding for PPPs, \$226 million (496 projects), followed by Sub-Saharan Africa with \$176 million (303 projects) from 1999-2015. DeveloPPP.de is aligned with the German government's aid priorities and focus particularly on agriculture, environment and sustainable economic development.

Companies can receive support via two develoPPP.de channels: 1) IDEAS competitions – held four times a year and allows companies to win up to \$220,000 (€200,000) in matching funds; and 2) Strategic Alliances – for larger partnerships with a project budget of over \$825,000 (€750,000).

CONTACTS GIZ's Private Sector Cooperation Unit serves as a point of contact for companies, facilitating development partnerships with the private sector via GIZ's flagship public-private partnership program, **develoPPP.de**. While GIZ's develoPPP.de program is managed from its head office in Eschborn, Germany, the agency also operates business development units (BDUs) in several developing countries. BDUs can independently engage in local partnerships. There are three ways to get in touch with GIZ for a partnership.

1	APPROACH GIZ'S DEVELOPPP.DE	develoPPP@giz.de
2	PARTICIPATE IN IDEAS COMPETITIONS	https://www.giz.de/Wirtschaft/de/html/1518.html
3	PARTICIPATE IN A STRATEGIC ALLIANCE	https://www.giz.de/Wirtschaft/de/html/1416.html

PARTNERS GIZ has partnered with over 2,000 firms since 1999.





CASE STUDY

A PARTNERSHIP FOR VANILLA

In 2014, Symrise, the world's fourth largest producer of flavors and fragrances, Unilever one of its major customers, and GIZ formed a partnership to support and empower 4,000 vanilla farmers and their families, while producing premium quality vanilla from sustainable crops in Madagascar. "We are delighted at the comprehensive development program that we have initiated with our partners Unilever and GIZ. Sustainable added value constitutes the core of our corporate strategy. The increased engagement generated through this partnership gives us an opportunity to create value for everyone," says Dr. Heinz-Jürgen Bertram, Chairman of the Management Board at Symrise. Part of GIZ's developPPP.de program, the rationale of the partnership stems from providing better living conditions for vanilla producers in Madagascar in exchange for premium quality and sustainably grown vanilla.

To date, more than 2,000 farmers in 36 villages have learned how to sustainably raise the quality and yield of vanilla, and thus boost their livelihoods. Farmers are also learning how to grow other crops, which will make them less dependent on vanilla and better able to feed their families in the long term. In the course of the development partnership, three agricultural schools have been established, with some 120 trainees between them. In addition, the number of low-yield months has fallen from five to three, with 64 model farms assisted and 218 teachers in 35 primary schools trained in environmental education.



Source: GIZ



Department
for International
Development

UNITED KINGDOM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

TOTAL AID (2016)	PSD FOUNDED	PSD BUDGET (2016)	PARTNERSHIP FUNDING (2016)
\$12 BN	2011	\$740 M	\$715 M

- Private sector partnerships are a key priority at DFID with funding increasing nine fold since 2012
- Challenge funds and multi-donor partnerships are DFID's principal instruments to facilitate partnerships
- DFID's strategic shift towards fragile states and economic development is expected to impact partnerships

The **Department for International Development** (DfID) is the United Kingdom's premier development agency. Formed in 1997, DFID's mission is to end extreme poverty and build a safer, healthier and more prosperous world. In 2015, DfID spent 80 percent of the UK government's \$15 billion development assistance budget.

PARTNERSHIPS APPROACH Integrating private sector participation into development has become a strategic priority for DFID. Since 2012 financing to private sector firms increased nine fold from an estimated \$84 million to \$715 million in 2016. DfID's engagement with the private sector plays a valuable role in the agency's overall development strategy, by mobilizing the resources and capabilities of the private sector to contribute to poverty reduction. In return, DfID acts as a thought leader, providing specialized technical expertise, funding and a source of local information and best practice.

“The private sector has the potential to sustainably lift millions out of poverty. Responsibly run business can create jobs, products and services that can change poor people's lives.

LAURA KELLY, HEAD OF DFID'S BUSINESS
ENGAGEMENT HUB

To help facilitate the growing engagement with the private sector, DFID established the Private Sector Department (PSD) in 2011. Within the department, the Business Engagement Hub (BEH) acts as a key point of entry for businesses. Aside from direct partnerships, DFID is a strong supporter of multi-donor partnership facilities – including the **Africa Enterprise Challenge Fund**; the **Business Call to Action**; the **Enterprise Innovation Challenge Fund for the Caribbean**; and the **Global Innovation Fund** – and over 30 country-level challenge funds. To incentivize companies to develop innovative solutions, challenge funds provide financing through grants, loans and other financial instruments on a competitive basis.

CONTACTS There are two ways to get in touch with DFID for a partnership: 1) reach out to DFID's [Business Engagement Hub](#); and 2) approach a multi-donor partnership facility or challenge fund.

KEY MULTI-DONOR PARTNERSHIP FACILITIES & CHALLENGE FUNDS			
FUND	FUNDING	SECTORS	CONTACT
Africa Enterprise Challenge Fund (AECF)	\$250,000 - \$1.5m	Climate change, livelihoods, private sector/business	https://www.gov.uk/international-development-funding/africa-enterprise-challenge-fund
Food Retail Industry Challenge Fund	\$130,000 - \$1.3m	Private sector/business	https://www.gov.uk/international-development-funding/food-retail-industry-challenge-fund
Trade in Global Value Chains Initiative (TGVCI)	\$65,000 - \$970,000	Trade	https://www.gov.uk/international-development-funding/trade-in-global-value-chains-initiative
Business Innovation Facility	Up to \$130,000	Private sector/business	https://www.gov.uk/international-development-funding/business-innovation-facility
Global Innovation Fund	\$39,000 - \$13m	Multiple sectors	https://www.gov.uk/international-development-funding/global-innovation-fund

PARTNERS While the majority of DFID partners are UK based firms the organization is open to partnerships with all firms



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CASE STUDY

INCREASING YOUTH SKILLS AND EMPLOYMENT IN THE HORTICULTURE VALUE CHAIN IN SOUTH AFRICA

In January 2013, DfID launched the Trade in Global Value Chains Initiative (TGVCI), a challenge fund that aims to encourage companies, trade organizations or other actors involved in the global value chains to initiate or scale up investment in improving the skills of workers and the wider labor force. The challenge fund essentially provides co-financing support and technical assistance, while companies are expected to match funds. TGVCI has yielded partnerships with Marks & Spencer, Tesco, and Sainsbury, among others.

Through the TGVCI, British supermarket chain, Waitrose partnered with the aid agency to increase employment of youths and increase migration of youths from seasonal to permanent work in South Africa. The youth development program provides young people with training in vocational skills that increase job prospects, develops leadership skills, provides work placements, and helps youth create their own development initiatives in their local communities. "If you have strong communities underpinning your supply chains, it is a much better set up for a longer term trading relationship" says Amali Bunter from the Waitrose Foundation.

The program has also focused on giving life skills and technical training in plant production, fruit grading and packing to 560 participants in 20 farms. To date, around 600 unemployed youth or seasonal workers have gone through the life skills training while around 80% have completed the whole program. Through these training sessions, youth have become more equipped, educated, and gained more experience which also enables them to become more effective in the workplace.

Waitrose

*Source: Source: Devex interview with Amali Bunter, Responsible sourcing manager,
Waitrose Foundation and Fairtrade,
<http://www.tgvci.com/R8KT70590812>*

AUSTRALIAN DEPARTMENT OF FOREIGN AFFAIRS AND TRADE



Australian Government
Department of Foreign Affairs and Trade

TOTAL AID (2016)	SHARED VALUE STRATEGY	BPP FIRST FUNDING ROUND	AID TO INDO-PACIFIC
\$3 BN	2015	\$2.9 M	90%

- DFAT is rapidly increasing its partnerships with multinationals corporations
- The agency's Business Partnership Platform (BPP) matches funding for commercial projects that advance Australia's aid priorities
- Key to partnerships are overlapping thematic and sector priorities

The **Australian Department of Foreign Affairs and Trade** (DFAT) is responsible for managing the Australian Government's aid program. DFAT aims to assist developing countries reduce poverty and achieve sustainable development, in line with Australia's national interest. In 2016–17, Australia will provide \$2.97 billion (A\$ 3.8 billion) in official development assistance (ODA), prioritizing infrastructure and trade; agriculture, fisheries and water; governance; education and health; humanitarian assistance; and gender equality in the Indo-Pacific region.

PARTNERSHIPS APPROACH Over the past few years, Australia has strengthened its ties with the private sector to deliver foreign aid. DFAT has increased its partnerships with multinationals, inking MoUs with ANZ and Westpac bank among others. Partnerships are intended to maximize the development impact of individual businesses, while allowing DFAT to draw on the resources and networks of private sector partners to efficiently deliver its aid. In return, DFAT offers knowledge of the business, regulatory and political environment and helps provide a more attractive business environment through its governance programs.

Realizing that most successful partnerships are a result of earlier collaborations, DFAT seeks to increase informal conversations with firms. To formalize DFAT's partnerships approach the agency launched a shared value strategy in 2015 and established the **Business Partnership Platform** (BPP), which matches funding from businesses for commercial projects that advance Australia's aid priorities. The BPP offers matched grants of \$100,000 to \$500,000 leading to joint investments of \$200,000 to \$1 million. DFAT further supports multi-donor partnership facilitates including the **Africa Enterprise Challenge Fund** and the **Global Innovation Fund**.

CONTACTS DFAT does not have a dedicated partnership department. Making use of the agency's decentralized structure Australian businesses can approach DFAT via its State and Territory offices. Partnership inquiries from companies based outside of Australia are commonly channeled through country based teams at Australian Embassies and High Commissions. However, DFAT's Private Sector Development Section maintains a [Private Sector Partnerships Webpage](#) that provides basic information about how and where a company might partner with DFAT.

There are three ways to get in touch with DFAT for a partnership.

1	APPROACH THE EMBASSY AND CONSULATES OVERSEAS	Directory of Australian Government embassies, high commissions, consulates, multilateral missions and representative offices (http://dfat.gov.au/about-us/our-locations/missions/Pages/our-embassies-and-consulates-overseas.aspx)
2	APPROACH DFAT'S STATE AND TERRITORY OFFICES	http://dfat.gov.au/about-us/our-locations/australian-offices/Pages/australian-offices.aspx
3	CONTACT DFAT VIA ITS PRIVATE SECTOR PARTNERSHIP WEBPAGE	DFAT's Private Sector Partnership Webpage (http://dfat.gov.au/aid/who-we-work-with/private-sector-partnerships/Pages/private-sector-partnerships.aspx) privatesectordevelopment@dfat.gov.au

“Ultimately shared value and inclusive business initiatives need to be commercially viable without long-term dependence on donor funding.”

MARK INGRAM, CEO OF THE BUSINESS FOR DEVELOPMENT

PARTNERS While private sector partnerships at DFAT are often with Australian corporations, the agency is increasing its work with international actors.



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CASE STUDY

FINANCIAL INCLUSION IN THE PACIFIC

On February 18, 2015, Australian Foreign Minister Julie Bishop signed a three-year Memorandum of Understanding (MOU) with ANZ Bank, which aims to improve access to finance for Pacific Islanders and enable them to participate in the formal economy. “The partnership aims to enhance economic growth in the Pacific region, and to promote gender equality and the empowerment of women,” according to the Department of Foreign Affairs and Trade. The ANZ partnership agreement outlines priority areas for joint cooperation between the DFAT and ANZ in the Pacific, including: bringing the unbanked population, particularly women, into the formal banking system; financial inclusion and financial literacy; and innovative approaches to finance small-medium businesses. It also focuses on broader issues such as exploring joint financing of infrastructure projects and improving communication with the private sector on disaster and crisis relief. Both sides agree that the MoU is a critical step towards government, business and the development sector partnering to drive economic growth and assist Pacific communities to work toward financial independence.





JAPAN INTERNATIONAL COOPERATION AGENCY

TOTAL AID (2016)	PUBLIC SECTOR INVESTMENT FINANCE	VALUE OF PSIF 2015
\$11.4 BN	SINCE 2012	\$342 M

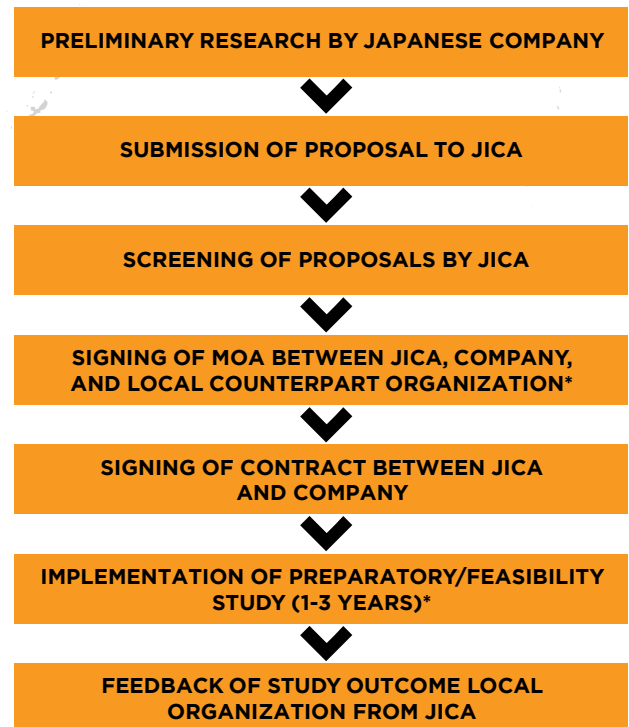
- Partnership programs limited to Japanese companies in drive to promote Japanese enterprises
- JICA's comprehensive support to Asian-centric partnerships offers opportunities in the region
- Infrastructure continues to drive JICA partnerships

Operating under the Japanese Ministry of Foreign Affairs (MOFA), the **Japan International Cooperation Agency** (JICA) implements the country's official development assistance. The agency is a major actor in international development with a strong focus on infrastructure development. More than two thirds of JICA's \$11.4 billion aid budget for 2016 is allocated to its Finance and Investment account, composed of ODA loans and Private Sector Investment Finance (PSIF), JICA's principal lending and investment instrument for the private sector.

PARTNERSHIPS APPROACH Driven by strong political support at home to increase the adoption of Japanese technology and expertise in developing market, especially in Asia, JICA is scaling its support for the PSIF program. Through PSIF, JICA provides loans and equity investments for Japanese companies that address development problems. Typical programs include public-private partnerships for infrastructure projects and company programs that provide services to poor and vulnerable communities.

JICA's partnerships approach is characterized by its comprehensive technical assistance support to corporations, drawing on the agency's deep expertise and rich development experience across Asia. Through various technical assistance programs, Japanese companies can partner with JICA by responding to calls for proposals for these studies and surveys from the **Private Sector Partnership and Finance Department**.

PROPOSAL-BASED PARTNERSHIP PROGRAM FLOW



*depending on partnership program

CONTACTS Different JICA departments handle partnerships inquiries:

TYPE OF INQUIRY	DEPARTMENT	CONTACT
General PSIF inquiry	Private Sector Partnership and Investment Department	jicaos@jica.go.jp http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/kanmin.html
<ul style="list-style-type: none"> • PPP Infrastructure Projects • Feasibility Survey for Utilizing Private Sector Japanese Technologies in ODA Projects • Preparatory Survey for Promoting BOP Business 	Private Cooperation Division	ostpp-contact@jica.go.jp
Small and Medium-Sized Enterprise (SME) Partnership Promotion Survey	Japanese SME Research Support Division	pdtfs@jica.go.jp
<ul style="list-style-type: none"> • Verification Survey for Dissemination of Private Sector Japanese Technologies • Collaboration Program with Private Sector for Disseminating Japanese Technology 	Japanese SME Project Support Division	pdtos@jica.go.jp

PARTNERS JICA prioritizes partnerships with Japanese corporations



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CASE STUDY

A BUSINESS MODEL FOR ALCOHOL SANITIZING PRODUCTS

Looking for ways to expand its operations in emerging African countries and at the same time helping poor countries achieve health related development goals, Saraya Co. Ltd, a leading Japanese hygiene and sanitization company partnered with UNESCO's Hand Washing for One Million People project in Uganda. The positive experience of this partnership led Saraya apply for JICA's Preparatory Survey for "Bottom of Pyramid" business program and join the organization as a formal partner in 2012.

With the support of JICA funding, Saraya developed marketing approaches that allowed the organization's business expansion in Uganda and Cambodia through education campaigns, model hospitals and utilization of local materials in Saraya's production and supply chains. The partnership also included JICA funded Japan Overseas Cooperation Volunteers that taught Japanese hygiene practices and cleanliness.

SARAYA

Source: JICA 2014 Annual Report, Saraya press release

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