

INTRODUCTION TO GDA

Throughout its history, USAID has acted either as a direct donor or through a client-vendor relationship with organizations that implement projects defined or desired by USAID. Using a Global Development Alliance (GDA), USAID can partner with companies and NGOs as equals in the development process.

GDA is a public-private partnership model that allows USAID to leverage resources from private sector partners and use those assets in a way that allows us to achieve the mutual goals of the partnership. A well-constructed GDA furthers the objectives of the USAID mission while benefiting the business interests of the resource partner. A GDA meets the following criteria:

- At least 1:1 leverage (in cash and in-kind) of USAID resources;
- Common goal defined for all partners;
- Jointly-defined solution to a social or economic development problem;
- Non-traditional resource partners (companies, foundations, etc.);
- Shared resources, risks and results, with a preference for additionality of impact; and
- Innovative, sustainable approaches to development.

Before embarking on a partnership-building exercise, Missions should identify the strategic rationale for including GDA in their programming. GDAs can be used to support many different types of objectives, and can result in many different types of leverage. Missions should explore the following questions, and use the answers to guide how GDA is integrated into their portfolio:

- Is a GDA appropriate here?
- What is the rationale for using GDA?
- What interest might a resource partner have in a GDA in this program area?
- What kind of resources might a GDA in this program area leverage?
- What does the Mission hope to achieve by using GDA?
- What specific Mission or project goals would not be achievable without a GDA?

INTERSECTING INTERESTS: USAID AND THE PRIVATE SECTOR

Star*Cola, a multinational soft drink bottling company, needs to maintain access to clean water in countries where it has factories. To date, Star*Cola has had little success in lobbying for better water management policy, and lacks the engineering capacity or funds to run water treatment plants.

By partnering with a USAID project focusing on improving access to clean water, the company can provide expertise, equipment upgrades, and funding to improve public water treatment systems, help orchestrate a marketing campaign to generate popular demand for clean water, and provide matching grants to local governments who seek to upgrade small infrastructure. In return, the USAID project provides Star*Cola with legitimate access to local government officials and a cadre of engineers to ensure that infrastructure projects are well-built. In addition, the project keeps track of Star*Cola's contributions and ensures that resources are managed properly.

Over time, Star*Cola becomes known for its green reputation, and its brand recognition grows, spurring increased global demand. By providing an innovative combination of in-kind and cash resources, Star*Cola will be able to maintain and expand its current operations, and the USAID project is able to reach more aggressive targets toward its goal of cleaner water.