



# USAID | UKRAINE

FROM THE AMERICAN PEOPLE

## THE GLOBAL DEVELOPMENT ALLIANCE



Graphic courtesy of UCAN

### What is a Global Development Alliance?

An alliance is an agreement between two or more parties to jointly define a development problem and jointly contribute to its solution. Alliance partners share resources, risks, and rewards in pursuit of an objective that can be better achieved working together. Its purpose: to bring about greater results through the combined strengths of multiple partners to address a development problem. The driving force is the recognition that each party is able to provide significant resources that the other does not have, and that together the parties can achieve greater value, more efficiently, than they could on their own.

USAID's guidelines for the GDA model currently seeks a minimum 1:1 matching of resources via alliances. While national and local governments, and other foreign aid donors are welcome members of alliances, *private sector talent and know-how are key to maximizing the impact of projects.*

### Alliance Partners can include:

- Private Businesses, Business and Trade Associations
- Foundations
- Philanthropic Leaders including Venture Capitalists
- NGOs, Charitable Organizations
- Regional, International Organizations
- Colleges, Universities

### OVERVIEW

There has been a fundamental shift over the past two decades in the sources of funding for economic development around the world. An arena once dominated by official governmental assistance is now a stage for many actors. Non-government resources account today for 80% of the resource flow to developing economies, compared to just 30% in the 1970s. Many of these non-public resources are from the private sector.

This changing environment required USAID, as the largest global bilateral donor, to rethink its development assistance strategy and create partnerships with the private sector, often referred to as *public-private alliances* or cross-sector partnerships. Within USAID they are known as *Global Development Alliances*. The alliance model incorporates pooled knowledge, skills, and resources of USAID, the private sector and other partners. It brings shared responsibilities and resource commitments to a particular collaborative activity. In creating such a relationship, USAID and its partners jointly identify solutions that capitalize on the expertise that each entity brings to the table. By working with partners, alliances have a multiplier effect by generating a greater impact than would have been realized if the partners worked independently.

Multi-stakeholder partnerships can be powerful catalysts for change and valuable mechanisms for delivering efficient, effective and equitable solutions to development challenges. The Global Development Alliance serves as a catalyst to mobilize ideas, efforts and resources of the public and private sectors, and non-governmental organizations in support of shared objectives. Being in partnership allows USAID to build long-term quality relationships with other key players in society, quality relationships that stand the test of time, and enable important projects and programs to be developed appropriately to specific circumstances, and to become self-sustaining over time.

### OUR PROGRAMS

#### Partnership for the Future of Alchevsk

The Alchevsk partnership began in September 2007 with the signing of a memorandum of understanding between USAID, the city of Alchevsk, the *Industrial Union of Donbas (ISD)* and its *Alchevsk Development Fund*. The initiative to provide community development support to the city came after the city's water and heating system suffered several catastrophic failures over previous years. Today, the partnerships success is rooted in three key elements: a commitment to corporate social responsibility by the ISD through its Alchevsk Development Fund; a commitment by the Alchevsk municipal leadership to focus its work on economic and community development; and a commitment by USAID to provide programs and technical expertise to support community and economic development. The project consists of five separate components: developing an economic development strategy to spur local and foreign investment; restructuring the municipal budgeting process towards performance program budgeting; and empowering civil society and non-governmental organizations to voice

- Civic Groups
- Other Donor Governments, Aid Agencies , National Governments
- Advocacy Groups
- Other

## Business and Development

Business not only offers financial resources for national development, but even more importantly managerial and technical skills, business standards and practices, as well as the infrastructure, connections, influence and a specific business culture. In certain areas, such as tackling corruption, helping to build sound governance institutions, or increasing access to basic services, the issues are either too politically sensitive or too complex for any one company to have the necessary legitimacy or resources to address it alone. In such cases, *collective corporate action*, preferably in partnership with government bodies, and with community participation, is the only viable option for achieving scale and making meaningful impact.

**For more information, please contact USAID/Ukraine Development Outreach & Communications, tel. (380 44) 537 4600 or visit <http://ukraine.usaid.gov>**

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the needs and demands of Alchevsk's citizens, while monitoring city government progress; reforming and modernizing the city's heating, water and waste treatment systems; and, community exchanges with U.S. towns to share international practices. The project is a comprehensive and integrated effort to stimulate city development and can serve as a model for other Ukrainian cities. With the success of the agreed program, ISD of Donbas contributed an additional \$10 million for project implementation through the *Alchevsk Development Fund*. On December 17, 2008, USAID recognized 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.

## The Partnership to Eradicate TB in Ukraine

Building on USAID's successful TB program that introduced the DOTS strategy approach in Ukraine, USAID teamed with the Foundation for the Development of Ukraine, a local philanthropic foundation, to eradicate TB in Ukraine. Within this partnership, USAID is providing a tested model for treatment and prevention of TB, which will be rolled out more broadly within Ukraine with the support of private sector funding. Looking to the future, USAID will work with Foundation for the Development of Ukraine to attract additional partners to the alliance, to help address some of the other priority areas jointly identified including, but not exclusively, an awareness and behavior change campaign, improved TB control and information platforms, sharing of best practice amongst practitioners.

## Partnership with Donbass Fuel and Energy Company

USAID and the Donbass Fuel and Energy Company (DTEK) have teamed up for a multi-year partnership in Ukraine that will craft strategic economic plans to generate new jobs and attract investment in seven cities across three oblasts. Mayors in each city will establish a public-private strategic planning committee to map municipal resources and assets. DTEK's \$150,000 donation will enable consultants experienced in local economic development to lead the planning process. The strategic plans will be signed off by the city's mayor and city council and executed via new economic development units. The alliance follows hot on the heels of USAID's Local Economic Development Program in 40 Ukrainian cities that has already generated \$600 million in investment and created 12,000 jobs.

## Kyiv- Mohyla E-Library Project

USAID and the Kyiv Mohyla Foundation of America signed a partnership agreement to establish the Electronic Library of Ukraine (**ELibUkr**) at the National University of Kyiv Mohyla Academy Library.

It is a nation-wide network of Electronic Library/Knowledge Centers that will provide Ukrainian scholars, students and practitioners with enhanced access to the world's digital network of academic and research information. The project will also upgrade the intellectual holdings of Ukrainian libraries and provide access to the worldwide digital information network. The first stage will be launched at three universities - the National University of Kyiv Mohyla Academy, the Y. Fedkovych National University of Chernivtsi, and the V. Karazin National University of Kharkiv.