

Regional Development Mission for Asia
Catalyzing Change through Regional Replication

**Sustaining Regional Initiatives:
 USAID Experience**

2nd High Level Seminar on
 Environmentally Sustainable Cities
 Kitakyushu, Japan
 15-16 March 2011

Drivers of Environmental Change in Asia

- Highest regional economic growth worldwide
- Population density – 1.5 times global average
- Two thirds of world's poor
- Increasing industrial production and agricultural intensification
- Urbanization – 12 of the world's 20 mega cities
- 660 million without access to safe water; 2 billion without access to improved sanitation
- Declining natural capital – shrinking forests, declining biodiversity
- Three-fold increase in CO2 emissions from 2002-2030
- 80 percent of all natural disasters globally occur in Asia
- No country has made significant progress in meeting MDG7 of ensuring environmental sustainability

Regional Challenges, Regional Solutions

- Many environmental challenges have transnational or regional causes and impacts
- Solutions require both in-country and regional interventions
- Need for effective and efficient coordination among regional and international organizations and networks
- Need for broader and deeper engagement of various stakeholders, especially private sector

USAID Regional Approach

- Address transnational challenges
- Catalyze change by sharing and replicating innovations
- Sustain impacts through regional institutions or networks – e.g. ASEAN
- Coordinate and cooperate with development partners to leverage resources and align activities
- Leverage resources through public-private partnerships
- Focus on environmental governance as cross-cutting issue

Regional Networks

- Establish and promote linkages between counterparts to share knowledge, best practices and information
- Provide a platform for collecting and consolidating best practices and disseminating information
- Provide a platform for effective development partner coordination to avoid duplication of efforts and leverage comparative advantages and resource inputs
- Key networks that focus on “twinning” partnerships to promote replication: WaterLinks, AECEN

Twinning Partnership: WaterLinks

- Regional network for “twinning” partnerships among water and wastewater operators and cities
- Established by USAID, ADB and International Water Association in 2008
- Principal activities: twinning, regional training, networking and information dissemination (www.waterlinks.org)



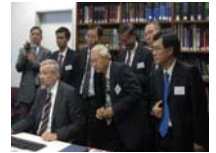


Twinning Partnership: AECEN

- Asian Environmental Compliance and Enforcement Network (AECEN) established in 2005 by USAID & ADB
- Mission – To promote improved compliance with environmental policies, laws and regulations through the exchange of innovative policies and practices
- Members – Cambodia, China, India, Indonesia, Japan, Korea, Laos, Malaysia, Maldives, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Vietnam
- USAID transitioning secretariat responsibilities to IGES
- Focus on twinning and networking (www.aecen.org)

Benefits of Twinning

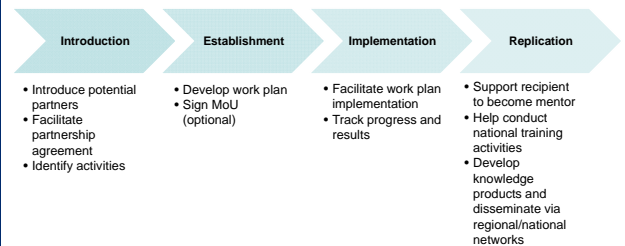
- Catalyze real change on the ground in one or both cities or countries
- Recipient partners – access to new innovations, practices, technologies; adopt new policies and tools; and strengthen capacity
- Mentor partners – Achieve corporate social responsibility objectives; understand counterpart challenges; and enhance professional experience



Success Factors for Twinning

- Demand-driven – reflect partner interests and priorities
- Resource sharing – cost share emphasizes ownership and commitment leveraging partner good will
- Replication – practitioner-to-practitioner exchange transfers hands-on knowledge and expertise
- Facilitation – close communication and coordination ensures follow-through
- Focused –12-18 months timeframe
- Resources – \$50,000 - \$100,000 per partnership

Twinning Partnership Process



Illustrative Results – 2008 - 2010

- Facilitated over 30 water and sanitation partnerships leading to improved and expanded access for over 600,000 urban residents
- Facilitated over 15 environmental governance partnerships
- Catalyzed replication of over 60 new policies and strengthened
- Increased the capacity of over 3000 practitioners
- Leveraged 1:1 funding from other development partners
- Working toward establishment of two sustainable platforms

Global Development Alliances

- What are the Global Development Alliances?
- Why is it important to USAID?
- How could the private sector be engaged in development projects?
- Why would the private sector be interested?
- What benefits are there for the private sector and public sector?

What is a Global Development Alliance?

- Private Sector Alliances are a market-based **development approach** where USAID partners work with the private sector to address a problem that is considered both a development issue and a business issue
- Alliances are **co-designed, co-funded, and co-managed** by partners so that the risks, responsibilities, and rewards of partnership are equally shared
- Successful private sector alliances can have **more impact, longer sustainability, and have a higher return on investment** than traditional development approaches

The New Context for Alliances

"Today's threats demand new partnerships across sectors and across societies – creative collaborations to achieve what no one can accomplish alone."
Barack Obama, November 2009

"We measure our impact on education and nutrition and we need a better way to do it. But, the business value is so very important too...and we can't wait forever to show it."
Private Sector Partner, October 2009

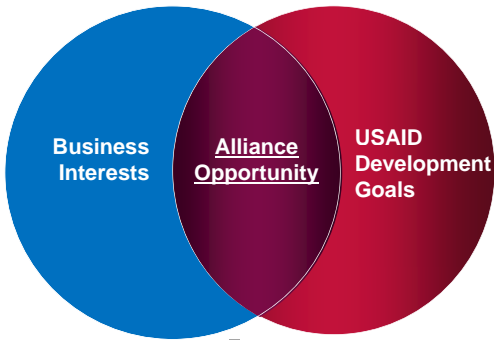
"USAID needs to change its culture and change the way it does business...We will focus intently on private enterprise and the power of markets..."
Raj Shah, May 2010

Development
Requires
More

Our Partners
Demand
More

Our Leaders
Expect
More

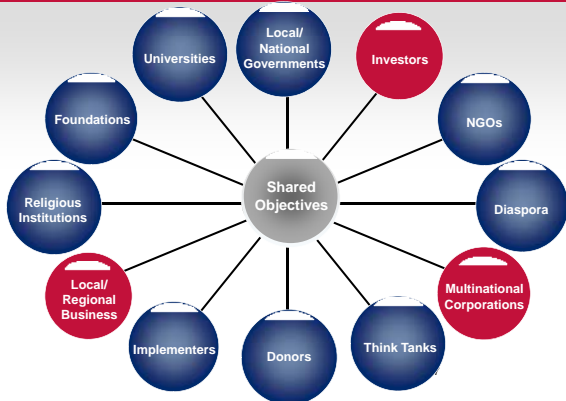
Intersecting Interests



Alliance Examples

- | | |
|---|---|
| <ul style="list-style-type: none"> • Intel • CISCO • Microsoft • Rotary Club • Coca-Cola • Global Sustainable Tourism • Evenson Dodge • Starbucks • Seaboard | <ul style="list-style-type: none"> • Mars • Gap • Walmart • Chevron • Western Union • MTV • Olam • PT Tanshia Consumer Products (Indonesian) & many other local companies |
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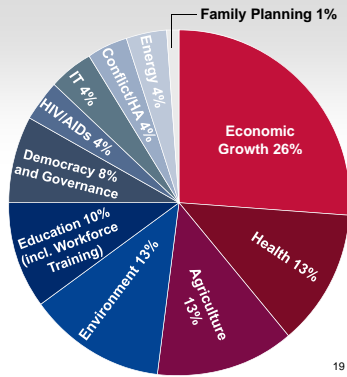
Types of Alliance Partners



Elements of Good Alliances

- Jointly defined problem and solution
- Shared resources, risks, and responsibilities
- Innovative approaches
- Mutual investment goal to leverage cash, expertise, systems, services, networks and other resources
- Significant and sustainable development impact
- Private sector partner interest in sustainability

Global Alliances: 1999 – 2009



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Summary

- ✓ Achieves more impact or return on investment
- ✓ Delivers development benefit that is a “public good”
- ✓ **Is more sustainable than traditional project**
- ✓ **Not a matching grant**
- ✓ Not a passing development fad
- ✓ **Not a “thing we do” but a way we do the things**

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Complementary Assets

USAID

- Policy influence
- Development expertise
- Convening power
- Local and global networks
- Relationships
- Long-term country presence
- Credibility
- Funding

Resource Partners

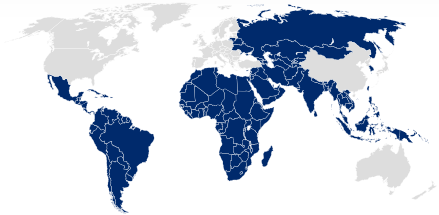
- Market driven approaches
- Skills, services and expertise
- Access to supply chains/ markets
- Technology and intellectual support
- Relationships
- Long-term country commitment
- Communications and marketing
- Funding

Alliances from 2001 – 2009*

Over 1,065 Alliances to date

More than 3,025 distinct partners

Average GDA Leverage: 1: 3.75



*Partner contributions are estimates provided to USAID by its partners and may include contributions by various partners including the private sector, non-governmental organizations, foreign governments and other organizations. Estimated contributions include cash and in-kind resources. In-kind resources estimates may have been valued by non-USAID partner organizations. Partner contribution estimates are not audited.

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Next Generation Alliances

GDA (first 5 years)

- Focus on leverage
- Opportunistic approach
- Mission involved only as funder
- Catalyzed by DC using APS & incentive funds
- Helped philanthropic objectives
- One-off pilots

PSA (next generation)

- Focus on impact, sustainability, scale
- Tied to Mission strategy
- Mission at the table
- Catalyzed in the field using Mission funding
- Helps private sector address core business interests
- Scaling successful models

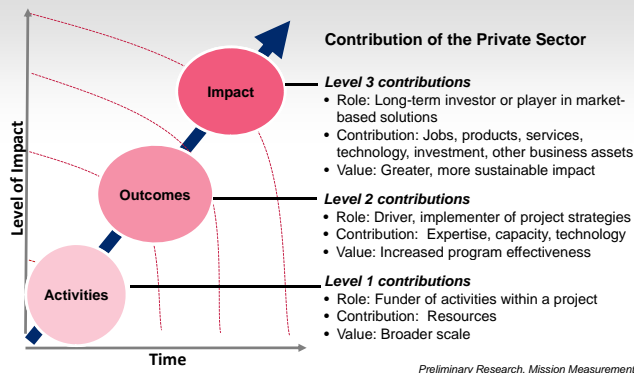
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Private Sector Roles & Value



WaterSHED Program

Water, Sanitation, and Hygiene Enterprise Development (WaterSHED)

- A USAID Global Development Alliance (GDA)
- Managed by The University of North Carolina - Chapel Hill
- A Regional Program focused on Mekong Sub-region
- Emphasizes Enterprise Development (ED)
- Strategic Objective:

“Sustained uptake and proper use of commercially-delivered WSH products and services increased among lower-income populations”



WaterSHED Countries and Partners

Cambodia

- Hydrologic, Inc.
- International Development Enterprises
- Lien Aid

Vietnam

- East Meets West Foundation
- Diageo LLC
- International Development Enterprises
- Lien Aid
- Unilever

Lao PDR

- TerraClear, Inc.
- World Health Organization



Innovative Products and Programs

WATER
(Household Ceramic Filter)



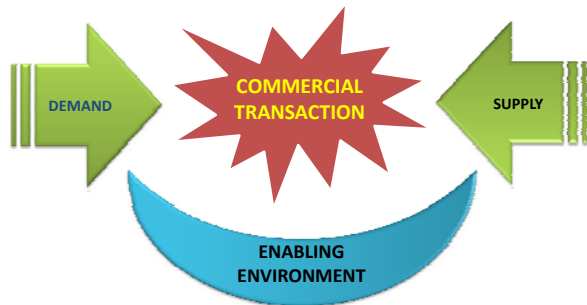
SANITATION
(Low-cost Latrine)

HYGIENE
(Handwashing Station)

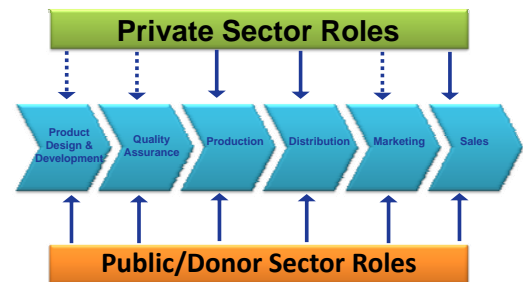
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Approach: Market-Based Model: Business Incubator



Key Advantage of GDA for Incubator Approach: Leveraging Core Competencies of Public and Private Sectors





Program Highlight Latrine Marketing Campaign - Cambodia



Latrine Supplier Coordination



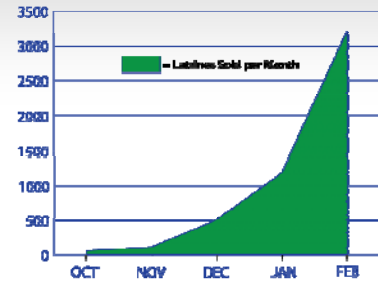
Latrine Sales Events and DIY Kit Delivery



Unsubsidized Payment
& Links to Microfinance



Latrine Marketing Campaign Sales
OCT 2010 - FEB 2011



Take Away Messages

- Sustainability is key to a program success and must be designed into a project from the outset
- Sustainability: Resource commitments from parties involved; well-defined cooperation; focused scope; replication of pilots in-country and regionally; additional buy-ins; regional platform to share and further promote best practices
- Twinning partnerships are proven to be effective in sharing best practices within sectors
- Strategic engagement of private sector can further sustain development impacts way beyond the project



THANK YOU

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