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

- Introduction
  - Introduce potential partners
  - Facilitate partnership agreement
  - Identify activities
- Establishment
  - Develop work plan
  - Sign MoU (optional)
- Implementation
  - Facilitate work plan implementation
  - Track progress and results
- Replication
  - Support recipient to become mentor
  - Help conduct national training activities
  - Develop knowledge products and disseminate via regional/national networks

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

Intersecting Interests

- Business Interests
- Alliance Opportunity
- USAID Development Goals

Alliance Examples

- Intel
- CISCO
- Microsoft
- Rotary Club
- Coca-Cola
- Global Sustainable Tourism
- Evenson Dodge
- Starbucks
- Seaboard
- Mars
- Gap
- Walmart
- Chevron
- Western Union
- MTV
- Olam
- PT Tanshia Consumer Products (Indonesian) & many other local companies

Types of Alliance Partners

- Universities
- Local/ National Governments
- Investors
- Foundations
- Religious Institutions
- USAID
- Local/ Regional Business
- Implementers
- Donors
- Think Tanks
- NGOs
- Diaspora
- Multinational Corporations

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**

- Family Planning 1%
- Economic Growth 26%
- Health 13%
- Agriculture 10%
- Water & Sanitation 9%
- Education 10%
- Trade & Private Sector Development 7%
- Democracy & Governance 3%

**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

**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

**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

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

Contribution of the Private Sector

- **Level 3 contributions**
  - Role: Long-term investor or player in market-based solutions
  - Contribution: Jobs, products, services, technology, investment, other business assets
  - Value: Greater, more sustainable impact

- **Level 2 contributions**
  - Role: Driver, implementer of project strategies
  - Contribution: Expertise, capacity, technology
  - Value: Increased program effectiveness

- **Level 1 contributions**
  - Role: Funder of activities within a project
  - Contribution: Resources
  - Value: Broader scale

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)

Approach: Market-Based Model: Business Incubator

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

Public/Donor Sector Roles

Private Sector Roles
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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