



USAID
FROM THE AMERICAN PEOPLE



USAID: ENGAGING THE PRIVATE SECTOR

USAID is building dynamic, mutually beneficial partnerships with companies and investors to advance our mission of ending extreme poverty, while fostering economic growth and improving business outcomes in developing countries.

WHY WE WORK WITH THE PRIVATE SECTOR

USAID recognizes that achieving sustainable solutions to global challenges requires collaboration across the public, private and philanthropic sectors. USAID works with companies where there is strong alignment between business interests and development objectives. The opportunities for partnership are growing – developing economies now account for more than half of the world's economic output and represent many of the fastest growing markets, customer bases and workforces. More than 90 percent of financial flows from the U.S. to the developing world are now from private sources, creating an opportunity for USAID and the private sector to work together to leverage each other's strengths and resources to promote market-led development.

Many obstacles businesses face are often symptoms of the social and economic development challenges USAID is working to address in developing countries – from customer outreach and supply chain stability to community investment and workforce development. USAID works as co-investor, convener, facilitator and risk mitigator, offering support to companies that in turn share their resources, assets and expertise to spur economic growth and reduce poverty through market-based solutions.

HOW WE WORK WITH THE PRIVATE SECTOR

USAID has a long history of partnering with businesses. The Agency works around the world and across a diverse range of sectors including agriculture and food security; democracy, human rights and governance; economic growth and trade; education; environment and global climate change; gender equality and women's empowerment; global health; water and sanitation; and humanitarian response.

Since 2001, the Agency has built more than 1,600 alliances with 3,500 partners, spanning all regions and development priorities. USAID works with U.S. and global corporations, regional and local businesses in developing countries, and industry associations in a number of ways to solve some of our most difficult development challenges:

- The [Global Development Alliance](#) is the Agency's flagship model for building partnerships with the private sector. These alliances are co-designed, co-funded and co-managed with our partners so that the risks, responsibilities and rewards are shared.
- Through the [Development Credit Authority](#), USAID implements loan guarantees in partnership with a variety of different types of lenders from traditional local banks and microfinance institutions to investment funds, pension funds, and private investors. Loan guarantees are designed to reduce risks to generate additional lending for underserved markets and sectors.
- USAID provides financing to find and test cost-effective, scalable development solutions through [Development Innovation Ventures](#), a venture capital style grant competition, and supports entrepreneurs and small and medium enterprises through the [Partnering to Accelerate Entrepreneurship](#) initiative.
- Through the [Office of Private Capital and Microenterprise, USAID](#) mobilizes commercial capital at scale for development priorities by directly supporting transactions and partnering with private investors to increase viable investment opportunities and mitigate risk.

GETTING STARTED

USAID actively seeks to engage companies and investors to explore opportunities for collaboration, and we invite the private sector to share their ideas and work with us to create new solutions and approaches to reducing poverty that also create business value.

To begin the conversation, you are encouraged to contact relevant staff in our overseas missions and technical bureaus. In addition, the following offices provide an entry point for companies or investors across USAID's priority regions and sectors:

- USAID's Global Development Lab supports the creation and management of partnerships across the Agency. For more information, please contact globalpartnerships@usaid.gov.
- USAID's Office of Private Capital and Microenterprise works with commercial investors and financial intermediaries across USAID priorities and tools. For more information, please contact pcminfo@usaid.gov.
- USAID's Development Credit Authority provides loan guarantees to unlock private capital. For more information, please contact developmentcredit@usaid.gov.

To learn more about our work and identify areas of potential collaboration for your company, please visit [USAID.gov/partnerships](https://www.usaid.gov/partnerships) to access a number of tools and resources, from training materials and research to our [Partnering for Impact](#) report, about partnering with USAID.

KEY TERM: 'Lab Leverage' is a program performance indicator for the U.S. Global Development Lab that captures commitments of funding and in-kind resources from a range of external non-USAID partners investing in shared development goals when working jointly with the Lab on a partnership, program or activity. The Lab's leverage performance indicator includes: all cost-share contributions (from both public and private sector partners); all other contributions (from the private sector; the public sector; and other U.S. government agencies); and gifts (from foreign governments, private organizations, and individuals).