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# **USAID's Public-Private Partnerships in ICT**

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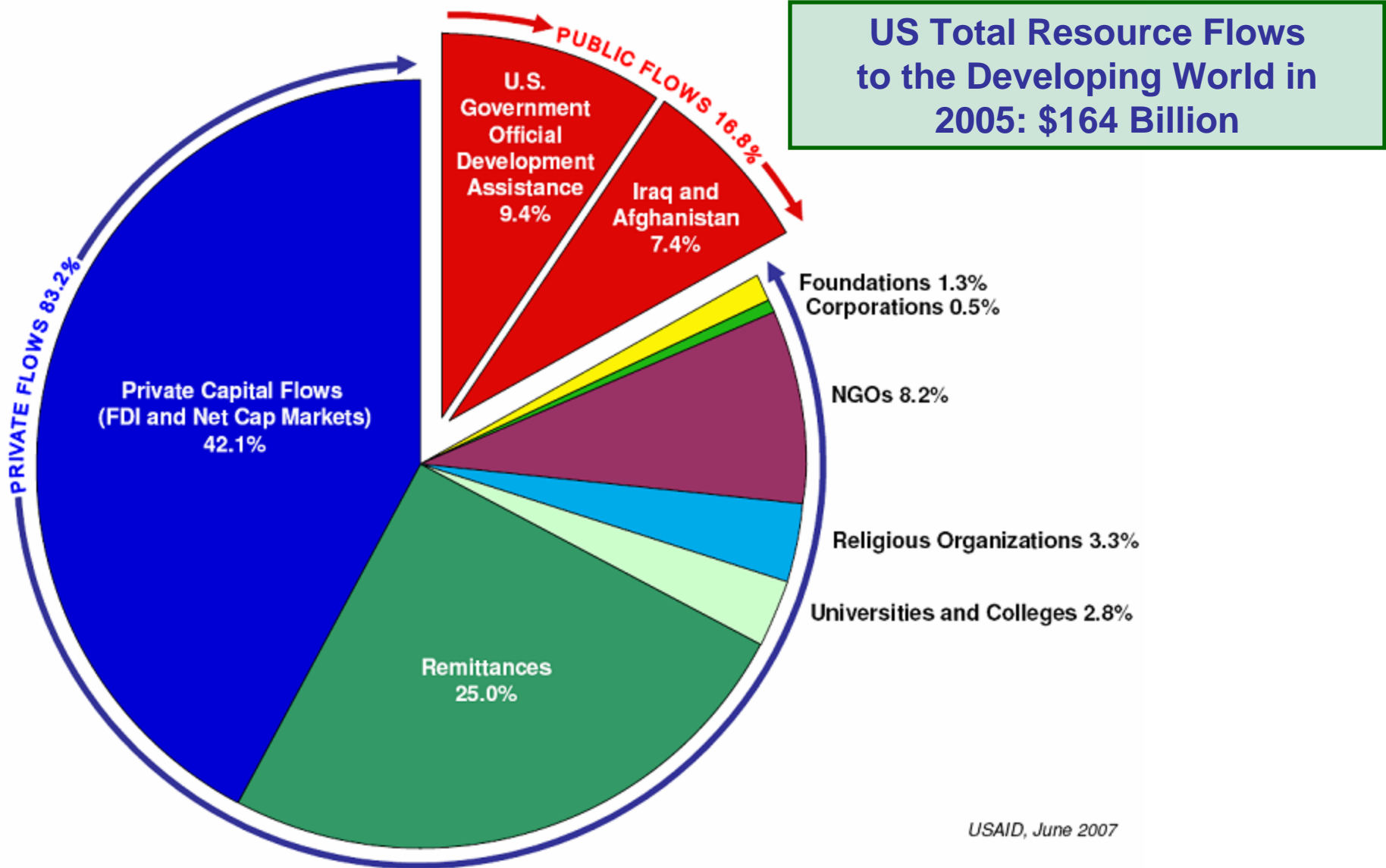
# Outline

- Importance of Working with the Private Sector
- Evolution of Alliances
- Alliances with Major IT Companies
- Examples: Vietnam, Macedonia
- Lessons Learned



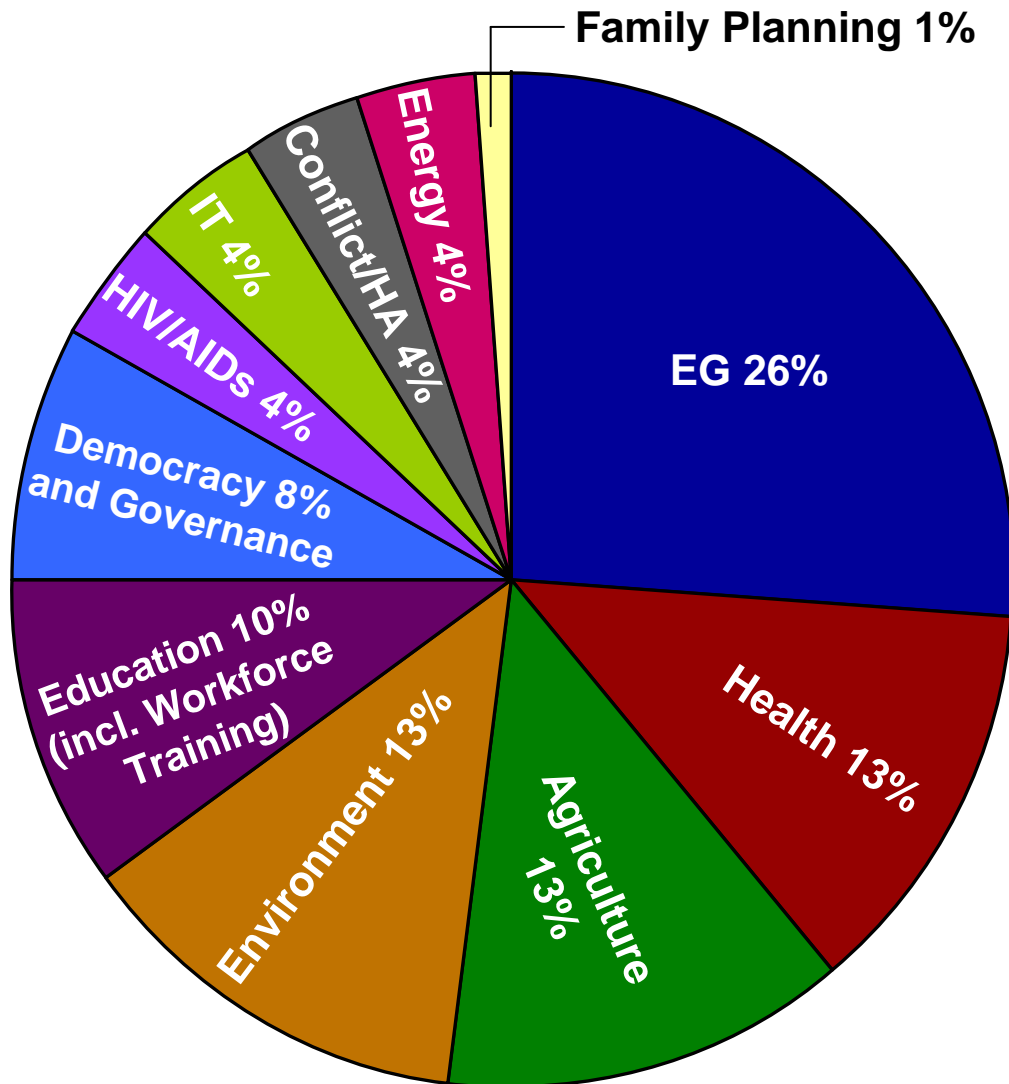
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# Why Alliances with Private Sector?





# Global Alliances: 1999-2007



## The Majority of Alliances:

- Focus on 1 country and are implemented at the Mission-Level (73%)
- Last no more than 3 years (70%)
- Have fewer than 5 partners (70%)

*The Africa region has received the highest amount of funding and has leveraged a high ratio of resources*

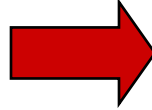


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# Evolution of USAID Alliances

## Alliances (first 5 years):

- Largely implementer driven
- Opportunistic approach
- Catalyzed by Washington with incentive funds
- Helped private sector meet philanthropic objectives
- Undertaken on an ad hoc basis
- Focus on leveraging cash



## Alliances 2.0 (next generation):

- Largely USAID driven
- Strategic approach
- Catalyzed in the field using Mission funding
- Helps private sector address core business interests
- Linked to Mission strategy
- Focus on leveraging cash PLUS knowledge, technology, and other resources



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# Why Companies Partner

## Business Drivers

- **Market Access**
- **Business Environment Challenges**
- **Public Relations**
- **Risk Mitigation**
- **Value Chain**
  - Sourcing
  - Production
  - Markets

## Other Drivers

- **Corporate Social Responsibility**
- **Philanthropy (e.g. Tsunami)**



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# Market: Next 1 Billion consumers

- **Base of the Pyramid: \$5 trillion market**
- **4 Billion people living on or below US\$ 3,000/year**
- **Approximately 1 Million Villages world wide**
- **Estimated 1.5-2.0 Billion people living in these 1 Million Villages**

See report at:

[www.wri.org/business/pubs\\_description.cfm?pid=4142](http://www.wri.org/business/pubs_description.cfm?pid=4142)





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# Complementary Contributions

## USAID

- **Funding**
- **Development expertise**
- **Long-term country presence**
- **Network of local and global partners**
- **Policy influence**
- **Credibility**
- **Convening Power**

## Company

- **Funding**
- **Innovation**
- **Business minded, market-driven approaches**
- **Access to global supply chains and markets**
- **Skills, services and products**
- **Communication and marketing**
- **Technology and intellectual property**
- **Relationships**





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## PERU LMI Partnership

- USAID(Health, Economic Growth )
- Voxiva (local IT consulting)
- Ministry of Transport and Communication (MTC)
- Telecom Regulator (OSIPTEL)
- Universal Service Fund (FITEL)
- Ministry of Health
- Catholic University, Caetano University,
- Peace Corps,
- NGOs: CRECER, CARE Peru, COPEME, Pathfinder, Instituto Apoyo.



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# Agency's IT Partnerships

- Intel Corp.
- Cisco Systems
- Microsoft





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# Partnership with Intel Corp: World Ahead

- Accessibility—increasing access to fully capable PCs tailored to regional needs
- Connectivity—expanding wireless broadband Internet access worldwide
- Education—preparing teachers and students for success in the global economy
- Content—accelerating development of localized content to enhance lives and expand opportunities

[www.intel.com/worldahead](http://www.intel.com/worldahead)



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# Choosing where to collaborate

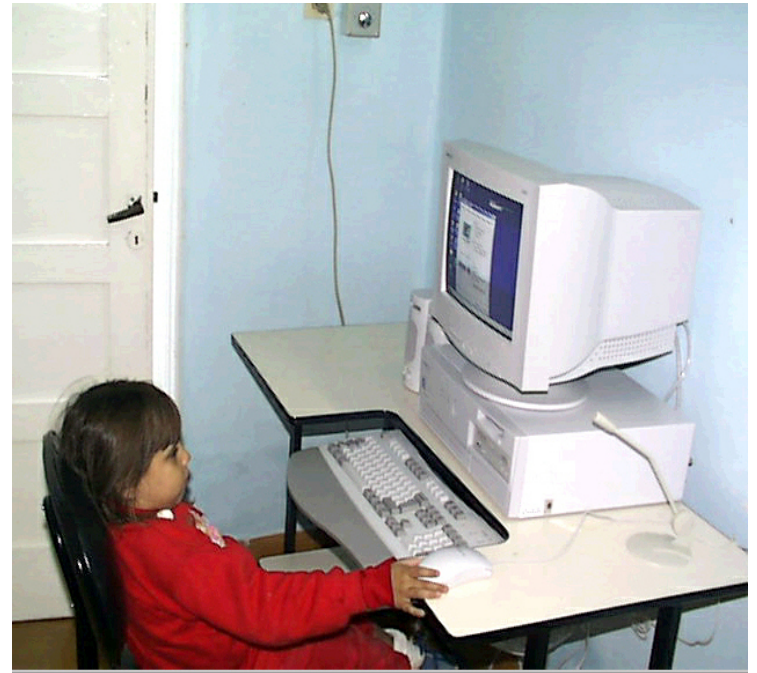
- USAID presence
  - Leverage USAID funds, budget size for local mission
  - Relevant activities: LMI, education, health, SME
- IT partner company presence
  - Local office
  - Relevant activities: GAPP, education, telecenter activities
- Proactive government engagement
  - Education initiative, health initiative, SME status
  - USF
  - Policy/regulation
  - Lack of conflict
  - Government buy-in on relevant projects
- Enabling environment/ecosystem
- Total market size, today and in 10 years
- Scalability to country and region. Country should be regional leader
- Sustainability



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# USAID-Intel MoU: Activities

- West Africa
- West Bank /Gaza
- Guatemala
- Nigeria
- Indonesia





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# USAID-Cisco

- Networking Academies
- Curriculum design and administration
- Workforce development training
- Curriculum for IT policy and regulatory  
Entrepreneur Institute



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# Macedonia Connects

## Partners' Participation

- USAID Macedonia
- Late President Trajkovski's initiative for Chinese donation of computers - \$6M.
- Microsoft: 6,000 software licenses
- Motorola Wireless Backbone -Canopy
- On.net



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# Vietnam

- “Metropolitan” network
- Locations: Lao Cai, Ta Van, Quang Ngai
- Focus Areas:
  - Access – WiMAX
  - Legal / Regulatory – USF: VTF (TA with USTTI, FCC, NTIA, & State)
  - WiMAX + WiFi → VoIP phones + Internet
- Partners
  - VoIP & PCs
    - Training, particularly for VoIP and WiMAX
    - Deployment of equipment (PCs) in clinics, post offices, businesses, ...
  - WiMAX deployment
    - Intel’s ABC program: acquisition, installation, and operation of WiMAX
  - Microsoft: TOPIC64





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# Vietnam: TOPIC64- ICT training centers in all 64 provinces

- **USAID**
- **Microsoft**
- **Qualcomm**
- **HP**
- **CRC Business incubator**
- **Electricity of Vietnam EVN**
- **\$87,000 for Coordinator and assets from Vietnam Last Mile Initiative**
- **\$362,522 for software and printed Unlimited Potential curriculum**
- **CDMA wireless broadband services**
- **\$100,000 in PC equipment, and printers**
- **\$62,400 in work facilities and equipment**
- **Free internet access for all centers for 1 year**



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# Lessons Learned

- **Parties' interests → opportunities for cooperation vs. Partners' competitive rivalries**
- **Donations cost money**
- **Timing is Important**
- **Partnerships can take a long time**
- **May require some “negotiating”**
- **Need to talk to all stakeholders**
- **The regulatory environment is critical**
- **Basics matter**
- **Think globally**