

# Private Sector Alliances

With ACIDI/VOCA and ASI

Empowering People and Businesses Worldwide



Expanding Opportunities Worldwide



## Today's global economy

has forged a convergence of the interests of businesses, development agencies, NGOs and other actors who realize that new alliances are needed to:

- » feed 9 billion people sustainably and safely by 2050
- » help smallholder agriculture and other small businesses in low-income countries succeed in the global economy
- » strengthen global supply chains through broad-based enterprise development
- » foster stability and develop communities, particularly in the wake of conflict
- » help small and medium-sized businesses and communities in low-income countries access financial services needed for success

**Nespresso** entered into an alliance with USAID's Specialty Coffee Program, implemented in 2009 by ACDI/VOCA in 22 municipalities of Colombia. Nespresso has provided funding and technical assistance to the CAFES project, assisting nearly 3,700 coffee farmers in improving their production and post-harvest handling practices and becoming Rain-forest Alliance-certified as specialty coffee producers. These improvements translate into better prices per pound of coffee sold and therefore improved household incomes. The alliance builds upon earlier innovative efforts by Nespresso to address its social and economic impact, protect the future of the world's highest quality coffees and improve the lives of coffee farmers and their communities.

### Volunteer Programs

#### **Mars Ambassador Program (MAP).**

ACDI/VOCA assists Mars in implementing its international corporate volunteer program. MAP is a global initiative that mobilizes Mars employees across all six product divisions and regions, and is managed through Corporate Affairs. It connects employees with volunteer opportunities that support their business objectives, leverage technical expertise and make a positive difference in major societal and environmental issues. Assignments are aligned with local organizations that reflect the company's commitment to corporate social responsibility. As implementer of the international assignments under the program, ACDI/VOCA provides risk management and employee and host preparation. MAP has grown from two volunteers in 2008 to 68 in 2011.



*"My volunteer experience through MAP was an incredible opportunity for me to see Mars' sustainable efforts at origin... and contribute a small part in those efforts that I am so proud of."*—John Kolodziej, Operations Engineer, Mars

**Kilombero Plantations Limited (KPL)** is working with ACDI/VOCA to expand its training program in Tanzania. In the first year, 1,650 rice smallholders will be trained, scaling up to as many as 5,000 farm families over the life of the project. KPL is a public-private alliance—92 percent is owned by **AGRICA** and 8 percent by the Tanzanian government. U.S. investors have contributed a major portion of the private sector investment in this initiative. Through direct technical assistance, ACDI/VOCA will assist in establishing rice grower associations comprising producers who apply KPL's agricultural technology. KPL will continue to provide inputs, training and community facilities for the farmers. Training to producer associations will integrate productivity enhancement, nutrition, gender and youth considerations.

**Mondel**, a cheese company, teamed with ACDI/VOCA and USAID in PRODEL (Programa de Desarrollo Económico Local), a local development program in Tumbatú, Ecuador. PRODEL used the Farmer Field School methodology to bring modern goat milk technologies and production methods to poor Afro-Ecuadorian women. Project training resulted in an increase in full-time jobs, sales to Mondel and family income. Mondel served as the anchor firm in the value chain, guaranteeing sales for participating producers and assuring sustainable success of the program. PRODEL helped Mondel to grow its business, increasing both its suppliers and buyers.



#### **Local Private Sector Alliances: Kenya Maize Development Program.**

Private sector alliances do not need to be arrangements among large, multinational corporations to effect change in local economies. ACDI/VOCA's Kenya Maize Development Program (KMDP) works with the private sector in multiple ways to increase smallholder farmer productivity and incomes and increase market access. Local private sector input suppliers, grain millers and banks share professional experiences and expertise on issues from business management, distribution and bulk purchases and marketing to access better market information and adhere to international quality standards.

No single organization can solve these complex development challenges. The current focus of public and private sector actors is on forming alliances based on mutual goals to achieve broad socioeconomic benefit and lasting local impact. ACDI/VOCA and its affiliate organization ASI invite private sector allies to envision how we can work together to address some of the most pressing global development challenges.

## **Collaborate with ACDI/VOCA and ASI for Impact and Shared Value**



**ACDI/VOCA** is a leading business-oriented nonprofit with nearly 50 years of results-centered development experience in 145 countries. Based in Washington, D.C., ACDI/VOCA fosters broad-based economic growth, raises living standards and creates vibrant communities. ACDI/VOCA currently operates approximately 100 projects in 40 countries, employs 1,500+ employees worldwide and, through consulting and volunteer opportunities, carries out 300–400 short-term technical assignments each year.



**Agribusiness Systems International (ASI)** is an ACDI/VOCA affiliate organization that was founded in 1993. ASI supports the mission of ACDI/VOCA and draws from ACDI/VOCA's experience expanding economic opportunities worldwide. ASI helps farmers and agribusinesses in low-income countries develop the skills necessary to operate competitively in a market-driven global economy. It provides tailored, market-oriented technical assistance and training with the goal of creating competitive and dynamic agribusiness industries. ASI facilitates socially responsible business innovation, investment opportunities and access to finance, and brings diverse business and development partners together to foster sustainable growth.

**ACDI/VOCA and ASI** work with businesses to define and address a development challenge; combine resources and share risks in pursuit of common objectives; and bring scale, effectiveness and innovation to development efforts. Both organizations have extensive experience implementing activities worldwide for a host of private sector allies, as well as bilateral and multilateral donors. These strategic alliances leverage resources, cofinance economic growth opportunities and help achieve the "double bottom line" of economic and social development.

Businesses and their associated foundations can team with ACDI/VOCA and ASI to:

- » mitigate risks and lower investment hurdles
- » broaden access to new markets and create stable and sustainable supply chains
- » build the capacity of local workforces through training
- » help increase local incomes and link small- and medium-scale enterprises to the global economy
- » build strategic relationships with community stakeholders
- » tap into employee engagement opportunities through volunteerism or consulting
- » leverage resources, technical expertise and networks that allow allies to achieve far more together than they could individually.

## Working with ACDI/VOCA and ASI: Types of Alliances

### Private Sector/ Donor/ ACDI/VOCA Alliances

**Mars, Inc., Armajaro, Askinosie, Cargill, Hershey, Kraft, Nestlé, Olam, Ristokcacao, Touton, Transmar** and other commercial allies, under the auspices of the **World Cocoa Foundation**, work with USAID, USDA and ACDI/VOCA across the world as participants in the SUCCESS Alliance. They work to improve the livelihoods of smallholder farmers by promoting cocoa production and marketing in a way that is economically, environmentally, socially and culturally sustainable. The SUCCESS Alliance provides technical assistance and resources for the development of sustainable cocoa sectors in Ecuador, Jamaica, Indonesia, Ghana, Liberia, the Philippines, Vietnam and St. Vincent.



**Greenlight BioFuels**, seeking to develop alternative sources of its biodiesel supply for the U.S. market, contracted with ACDI/VOCA to research the development of a potential jatropha supply chain in Indonesia and Vietnam. ACDI/VOCA evaluated regions and local small-scale growers for jatropha production, and designed outreach initiatives to integrate these growers into Greenlight's supply chain. The plan was designed to mutually benefit both local small farmers and Greenlight's business with new market linkages and expanded trade opportunities.

**PICO Modern Agriculture Company (PICO)** contracted with ASI to conduct a marketing feasibility study to select optimum crops and value-added products to be produced on a farm east of Cairo. If PICO could grow their export volumes they could increase their sourcing of raw material, produce from smallholder farmers and create an important economic development opportunity. The study analyzed trends in production, consumption, imports, export demand, prices and processing opportunities, laying the groundwork for a strategic crop plan. If implemented, the plan will create significant employment opportunities for youth and women in production, post-harvest handling, processing, shipping and distribution; it will also create opportunities for small business support services.

### Co-investing in Communities/Local Alliances

**Archer Daniels Midland (ADM)** is one of the largest grain and oilseed processors in Paraguay, mobilizing over 30 percent of the country's total grain output. Together, ACDI/VOCA and ADM identified the three communities of Santa Clara, María Auxiliadora and Fortuna for implementation of strategic interventions supporting 413 families (2,065 people) with technical assistance, training, infrastructure, equipment and financing for market-driven corn production. In addition to a community investment valued at \$210,000, ADM provides specialized technical assistance and a market for the corn harvest. ADM has also provided harvest insurance for farmers, an innovation that enhances planning for the future.

*"For me, the real issue here in Paraguay is to provide small growers with more opportunity... [they] take care of natural resources, and build our base of producers. It's good for people and good for ADM, too."*

– Ana Yaluff, ADM-Paraguay's Corporate Social Responsibility Director

**Exxon Neftegas Ltd.** (ENL) contracted with ACDI/VOCA and the Sakhalin Small Enterprise Development Foundation (SSEDF), a local small business finance and training institution established by ACDI/VOCA, to identify local small and medium-sized enterprises (SMEs) that could potentially be integrated as supply chain partners in Sakhalin, Russia. The result was the ENL Procurement Opportunity Matrix, a detailed directory of 85 SMEs throughout Sakhalin with the capability and desire to meet ENL production needs.

**Shell Oil Company** (through the Sakhalin Energy Investment Corp) granted \$250,000 to the Sakhalin Small Enterprise Development Foundation (SSEDF), enabling ACDI/VOCA and SSEDF to create the Nogliki-Tymovsk Credit Program in North Sakhalin, Russia. The resources were used as loan capital to expand lending and credit services to small and medium-sized businesses in the Tymovsk region. The program helped these enterprises access credit and finance, as few commercial banks offered small business services in the area. The credit service was integrated with targeted training in peer groups, helping business owners manage their loans and provide support and advice to each other. The ACDI/VOCA and Shell collaboration represented a unique opportunity to support small business access to credit and to create new jobs through training, enabling local communities to benefit more effectively from investment in oil and gas projects.

**Ristokcacao**, an Ecuadorian cacao exporter, provided a grant in support of ACDI/VOCA's efforts to improve the livelihoods of smallholder farmers in Ecuador by promoting cocoa production and marketing in ways that are economically, environmentally, socially and culturally sustainable. The one-year grant will enable ACDI/VOCA to adapt and encourage farmer association adoption of the "Cuaderno del Productor" (Producer Workbook), train 800 smallholder farmers, organize and/or strengthen 15 legal organizations of smallholder farmers in Los Rios and facilitate market linkages between these associations and Ristokcacao.



**The H.J. Heinz Company.** In 2008 USAID, ACDI/VOCA and the Egyptian government created an innovative public-private alliance to catalyze tomato production, processing and value-added horticulture in Egypt. The Agribusiness Linkages program is a \$12 million, five-year initiative that applies a market-driven value chain approach to help small farmers meet modern-day market demands. The capacity of more than 3,000 smallholder farmers on over 10,000 acres will be built to serve as reliable suppliers of both tomatoes and high-value alternate crops; almost 50 seedling nurseries will supply Heinz variety tomato seedlings; 40 nursery operation managers will be trained as world-class greenhouse managers; and 500 pesticide operators and applicators will be trained and qualified for licensing.

**Cabinda Gulf Oil Company Limited** (CABGOC, a ChevronTexaco-Sonangol joint venture). ACDI/VOCA and USAID collaborated in Angola on a \$3 million, five-year vendor development program that gave farmers access to technical training, new markets and higher prices for their crops. As a result, over 700 tons of high-value fruits and vegetables worth over \$950,000 were supplied to employees of the subsidiary Cabinda Gulf Oil Company over three years. The project developed agricultural capabilities in Angola for the long term, improved Chevron's bottom line and helped create a positive image for Chevron in the community.

**Green Mountain Coffee Roasters** (GMCR) is a leader in the specialty coffee industry for its award-winning coffees, innovative brewing technology and socially responsible business practices. GMCR works closely with its suppliers and is working with ACDI/VOCA through **Sustainable Harvest**, a specialty coffee importer. ACDI/VOCA is a program implementer under the USAID-funded Strengthening the Coffee Value Chain Global Development Alliance (GDA) program. In September 2011, to improve productivity and food security in Peru, GMCR granted to ACDI/VOCA partner Sustainable Harvest approximately \$260,000 to fund two food security forums, develop training videos and construct an organic composting/fertilizer plant in San Martín, which will be managed by four participating Peruvian producer organizations. The plant will benefit over 1,000 farmers and their families, who are almost wholly dependent upon coffee for their livelihoods.



**Vegpro Kenya Ltd.**, Kenya's largest producer and exporter of fresh vegetables, uses a smallholder-inclusive model to supply high-end markets in Europe with Kenyan horticulture products. With funding from the Millennium Development Authority (MiDA), ACDI/VOCA assisted Vegpro in replicating its business model in Ghana to capitalize on the agricultural potential of the country. ACDI/VOCA used its relationships with the government, knowledge of the local business climate and links with actors in the horticulture value chain to help Vegpro navigate the legal and cultural environment, enabling the firm to initiate its investment in Ghana and create economic opportunities for smallholder farmers. Through the relationship established with Vegpro, small farmers stand to benefit from access to buyers, irrigation, seeds and technical assistance on how to meet buyers' product specifications.

## Contracts and Grants

**The Walmart Foundation** provided a grant to ASI to expand the efforts of the Sunhara India project, which is funded by the Bill & Melinda Gates Foundation. Sunhara Walmart is working with 2,500 women farmers in Agra and Ghaziabad districts to introduce new technologies, training and other services to women working in fresh produce and handcraft value chains. Women producers are being linked with key value chain actors, including viable buyers, input suppliers and training providers. The goal is to double the incomes of rural women in these districts and link them with urban markets.



**BP** and its coventurers in Azerbaijan contracted with ACDI/VOCA to implement the three-year Enterprise Development and Training Program (EDTP) through its Regional Development Initiative. The goal was to identify and strengthen small and medium-sized companies that could become local BP suppliers. EDTP conducted workshops and gap analyses for selected companies, and implemented tailored development plans. The project helped small Azeri companies develop processes that met international quality, health, safety, security and environmental (HSSE) standards, ISO certifications and BP requirements. EDTP staff worked collaboratively with them on plans delineating required staff training, quality assurance procedures, quality controls and technical upgrades to reach the designated standards.

**Novus International, Inc.**, a leading animal health and nutrition company, contracted with ACDI/VOCA to develop and implement a training of trainer session for a Farmer Field School in the Ben Tre area of Vietnam. This project tapped ACDI/VOCA's training expertise and expanded upon collaboration between Novus and Heifer International, a global nonprofit dedicated to alleviating poverty and hunger, to provide technical training for Heifer field trainers. The project enabled 26 Heifer field trainers to provide practical solutions to farm-level problems in animal production and aquaculture.

**Exxon Neftegas Ltd.** (ENL) and other gas and oil companies that were part of the Sakhalin-1 Consortium in Russia worked with USAID and ACDI/VOCA to help local entrepreneurs capture the benefits of economic development from investments in the oil and gas sector. The consortium provided a \$500,000 grant in loan capital to expand the existing USAID-funded Sakhalin Regional Microfinance Program into the northern Sakhalin districts of Nogliki and Okha, where the consortium's construction activities are located. ACDI/VOCA also provided training and consulting to program clients and over 4,000 entrepreneurs.



## Corporate Philanthropic Contributions



**Roto Moulders Ltd. and Amiran Kenya Ltd.** have shown that corporate philanthropy can result from strategic business linkages. ACIDI/VOCA's Kenya Maize Development Program (KMDP) holds annual private sector-focused agribusiness fairs that help small-holder producers connect directly to market service providers. At the eighth annual agricultural

business fair, Roto Moulders Ltd. donated a water tank and a second company, Amiran Kenya, Ltd., donated a drip irrigation kit, both of which helped to bring increased stability, safety and productivity to young people in two Rift Valley communities.

**KPMG**, a global network of professional firms providing audit, advisory and tax services, helped an ACIDI/VOCA volunteer respond to the tsunami disaster in Indonesia through its employee-supported Disaster Relief Fund. A donation from the fund provided funding for ACIDI/VOCA volunteer David Seaman of Alaska to travel to Banda Aceh to help rebuild a boat construction and repair cooperative. As a result of the assignment, Lampulo Boatworks reemerged as a successful and sustainable local business that contributes to the economic development of the region.

**CoBank, Olam Americas, Fettig & Donalty, Inc. and Westhill Graphics** made generous contributions to help ACIDI/VOCA implement the Rural Economy Acceleration in Haiti (REACH) project in response to the tragic earthquake in 2010. Haiti REACH efforts were directed toward jobs training and creation in the Jacmel region of southeast Haiti where ACIDI/VOCA's office is located. REACH disbursed a small grant to a local Haitian non-governmental organization named APTECH that funded a six-month training course in antiseismic construction methods. At the end of the course and with the assistance of an ACIDI/VOCA volunteer, 40 students graduated with a diploma certifying them in these new skills, and a classroom was completed for a local elementary school. Many students were immediately employed.

**For more information** about private sector alliances with ASI, contact Ana Bilik, Vice President of Programs, at [abilik@acdivoca.org](mailto:abilik@acdivoca.org).