

Sida and USAID – an Innovative Partnership

ADVANCING INTERNATIONAL DEVELOPMENT AND POVERTY ALLEVIATION THROUGH SCIENCE, TECHNOLOGY,
INNOVATION AND PARTNERSHIP

OUR COOPERATION

Sida and USAID have initiated a momentous cooperation with the biggest investment in innovations for development in Swedish history and the largest partnership with another grantor in the history of USAID. The goal is to jointly invest 400 million US dollars over the four coming years to find scientifically based, smart solutions to existing problems. As should be, the ambition is high and to succeed Sida and USAID are looking to find potential investors outside of the conventional aid programmes.

The core approach in the cooperation will consist of challenge funds and engaging new financial instruments through partnerships with various actors both within and outside the aid community. To adapt new solutions to different countries and environments Sida and USAID also lay focus on influencing policy and capacity building. Without improving the capacity to implement these new solutions not much is gained.

Focusing on smart ICT solutions will play a major role in the promotion of democratic values and the Grand Challenge Fund *Making All Voices Count* is a good example of what the cooperation with USAID can lead to in practice. The programme aims to break existing barriers that weaken the link between governments and citizens through innovative ideas. To close the feedback loop we must create tools for the citizens to give feedback on



"Today we have the knowledge, tools, and technologies to help individuals around the world lift themselves out of extreme poverty. We must use our resources and influence to stimulate innovators, entrepreneurs and those investing private capital around the world."

Charlotte Petri Gornitzka, General Director, Sida.





FOR FURTHER INFORMATION ABOUT OUR GRAND CHALLENGES FOR DEVELOPMENT PLEASE VISIT:

www.poweringag.org
www.makingallvoicescount.org
www.securingswaterforfood.org

government performance and consequently create a greater capacity within governments to respond to the critique. *Making All Voices Count* look to build both the capacity and the incentives for citizens to engage with government to improve their services and policies.

The Power of Bright Ideas

Innovation is often referred to as the root of development but focusing the power of bright ideas on solving the problems of the world's underprivileged population is all too rare. Lack of commercial power and high risk-taking keep investments from going to the development sector. Sida and USAID can change this. Through our development funds and guaranties we provide crucial capital both in the early stages of innovation and in scaling up.

Financing Innovation

An example of these innovation-financing programmes, so called Grand Challenges, is the *Powering Agriculture* initiative. The programme addresses the need for green and sustainable energy within the agricultural sector by funding innovative solutions. As an example the fund finances a smart solution to Kenyan dairy-farmers' spillage – a solar-powered cooling system. As much as 85 per cent of Kenya's dairy farms do not have access to refrigerated storage and transportation and as a result

up to 30 per cent of the milk may spoil. This clean energy solution increases the productivity and income of dairy farmers' whilst also helping decrease bacteria count and improving milk quality. The solution may play a key role for roughly one million smallholder-farming families in Kenya. By funding innovations like this we give people the tools to become self-dependant. With our new cooperation Sida and USAID are determined not to let the innovative ideas, much like the milk, go to waste.

Sida and USAID are also founding partners of the *Securing Water for Food*-programme that tackles the issue of clean water shortage by stimulating innovation, technology and entrepreneurship. The initiative specifically focuses on improving water efficiency and reusing wastewater, reducing the impacts of salinity in coastal area water supplies and building resiliency to drought through effective water capture and storage systems. With this Grand Challenge Fund we look to finance the brightest ideas within the field and help innovations make their way from the drawing table and into real life.

Despite the challenge funds we experience a "missing middle" within high-risk sectors, for example medicine, where much needed private investment is lacking. Due to this Sida and USAID are open to a more risk-taking approach involving venture capital-funds. The goal is to create catalytic investments that provide an opportunity for the Grand Challenge-innovations to succeed.

USAID view Sida as a competent, progressive partner and Sweden as a moral superpower. By partnering up with a knowledgeable organisation like USAID we broaden our network of contacts worldwide. We also get a partner with substantial financial resources and an experienced and accomplished workforce. Our hope is to jointly continue the fight against poverty through innovative solutions and bright ideas.