

# DEMOCRACY DELIVERS

## INITIATIVE

## **FACT SHEET: The Democracy Delivers Commitment to Action**

When a country commits to democratic reforms, citizens win. Robust evidence links democracy to improved development outcomes. Democracies deliver public goods at higher rates than non-democracies, and they do so more equitably.

Secretary of State Blinken and USAID Administrator Power launched USAID's Democracy Delivers Initiative at the 2022 UN General Assembly with the conviction that when a country experiences a promising democratic opening—when there's an opportunity to enact democratic reforms, strengthen transparency and the rule of law, and advance human rights and development—we need to help its government, civil society, and citizens seize the moment.

A fundamental insight has underpinned the Democracy Delivers Initiative since its launch: supporting democratic reform cannot be the responsibility of government alone. Over the past year, the U.S. Government has worked in coalition with bilateral and multilateral partners and with leaders in philanthropy, civil society, and the business community to help reformers demonstrate a democratic dividend for their citizens.

Together, we have begun to reset citizen expectations by providing farmers access to scarce fertilizer; making childbirth safer for expectant mothers; expanding entrepreneurs' access to training, finance, and markets; building climate resilient food systems; and all the while, helping governments serve their citizens more efficiently and communicate with them more effectively.

The Democracy Delivers Commitment to Action represents the next phase of this partnership. It reflects a shared conviction that when the global community comes together to support local actors across government, civil society and the private sector driving democratic progress, the wins multiply. And it recognizes the advantages of a partnership among diverse sectors – development organizations, foundations, corporations – working with complementary tools toward the common goal of advancing human dignity. At moments of democratic opportunity, philanthropies can leverage deep knowledge and relationships with local actors to bolster citizen engagement and accelerate change, while the private sector can help reformist leaders produce economic dividends through investments in transparent, rules-based markets.

The Democracy Delivers Commitment to Action will continue to channel new and diverse resources to Democracy Delivers countries and toward the broader objective of cultivating and supporting democratic openings.

To help reformers and citizens build a democracy that delivers for all, these commitments will aim to:

- **Shift and share power** by channeling high quality funding to local actors, responding rapidly and tangibly to stakeholder-identified needs, and prioritizing equitable partnership;
- **Strengthen institutional foundations** by exploring and incorporating mechanisms for inclusive and participatory decision making, emphasizing capacity strengthening, and integrating transparency and accountability best practices; and
- **Showcase delivery** of collaboratively identified priorities, enhance citizen-state engagement, and communicate strategically the benefits of democracy.

Key actions announced as part of the Democracy Delivers Commitment to Action at the 2023 UN General Assembly include:

### **U.S. Government Commitments**

#### **USAID**

USAID is announcing over \$35 million in additional investments in Democracy Delivers countries, which builds on over \$41 million announced earlier this year. This includes:

- USAID will provide \$23 million in additional Development Assistance for Malawi, Zambia, Nepal, and Ecuador. Funding will support the stabilization of economies, promote job and wage growth, mobilize investment, and deliver democratic dividends.
- USAID will dedicate approximately \$5.5 million in new funding from its EDGE Fund to support high-impact collaborations with the private sector. Funding for Ecuador will connect small agricultural producers, including women, to markets to increase incomes and promote sustainability. USAID will also partner with Africa's finance and energy industries to produce liquid propane gas cylinders and stoves in Zambia to boost adoption of clean cooking alternatives.
- With \$4 million in previously announced EDGE funding from USAID, the Global Alliance for Trade Facilitation (GATF) is working to address barriers to trade for small, medium-sized, and women-owned businesses in countries including the Dominican Republic and Malawi. In the Dominican Republic, GATF is connecting small business suppliers with large companies operating in Free Trade Zones and moving operations geographically closer to U.S. markets to accelerate opportunities for small businesses in e-commerce. In Malawi, GATF will train small, medium-sized and women-owned businesses in export processes and requirements, and introduce them to a network of successful exporters, while simultaneously deploying a digital platform to streamline and simplify trade procedures.

- With \$6 million in support of a rights-respecting, secure and inclusive digital transformation in Zambia, USAID is working to help increase investment in Zambia's digital economy and infrastructure, while also supporting linkages between government, civil society and the private sector to advance rights-respecting digital governance.
- USAID is working with Congress to provide up to \$5 million for USAID to work closely with Tanzania's Public Procurement Regulatory Authority to support its efforts to develop, implement, and sustain a public procurement system focused on the development of a digital procurement portal that will increase procurement transparency and efficiency while reducing opportunities for graft and corruption.
- Approximately \$3 million in Local Works funding will empower local leaders and communities to address key challenges in Maldives. USAID will support local organizations to increase the resilience of vulnerable populations and at-risk groups, address drivers of violent extremism, and work with communities - especially youth - to build social cohesion and local ownership of solutions.
- USAID will provide approximately \$300,000 in additional support for a Public Financial Management (PFM) project in Maldives to improve debt transparency and sustainability through assistance to the Finance Ministry's Debt Management Department; produce timely, accessible, and auditable statistics and published reports; support development of Maldives' Environment, Social and Governance (ESG) framework; and provide analysis related to borrowing covenants and risk management.
- USAID will invest approximately \$250,000 in a Parliamentary Support program in Malawi to further address Malawi's on-going debt challenges, the success of Democracy Delivers commitments, and the GOM's Open Government Partnership (OGP) Action Plan commitments related to these issues by supporting the National Assembly's efforts on debt transparency and accountability.
- With \$37.475 million in previously announced funding to support Armenia, the Dominican Republic, Ecuador, Malawi, Nepal and Zambia through USAID's Partnerships for Democratic Development (PDD), USAID is modernizing our toolkit of support to democratic openings by providing flexible, multi-year funding to deepen our partnership with democratic reformers and support their efforts to assemble stakeholders from across their societies to advance fundamental reforms that will transform their societies.

#### U.S. International Development Finance Corporation

The DFC is announcing up to \$110 million in new funding in Nepal to support several new private sector-led projects to boost investment in small businesses and sustainable transportation, including:

- **Supporting entrepreneurs:** An up to \$100 million loan to Siddhartha Bank will increase the bank's capacity to on-lend to micro, small, and medium enterprises (MSMEs) in Nepal.

- **Promoting sustainable transportation:** In collaboration with USAID/Nepal, a \$5 million loan portfolio guaranty to Nabil Bank Ltd. will mobilize \$10 million in lending to expand Nepal's electric vehicle (EV) sector, promoting sustainable transportation.
- **Strengthening the electric vehicle (EV) sector:** A \$2.5 million loan portfolio guaranty to Sanima Bank Ltd. in collaboration with USAID/Nepal will support \$5 million in lending for the expansion of Nepal's EV sector.

This builds on more than \$1.6 billion for projects in Democracy Delivers countries announced over the past year, including:

- **Supporting conservation and debt relief in Ecuador:** DFC provided over \$656 million in political risk insurance to support a debt-for-nature swap in Ecuador's Galápagos Islands that was completed in May 2023 in partnership with the Government of Ecuador, Inter-American Development Bank, and private sector partners. In the transaction, Ecuador exchanged \$1.628 billion of debt for a \$656 million loan, enabling Ecuador to realize more than \$1.126 billion lifetime savings through reduced debt service costs. The transaction is expected to generate more than \$450 million for marine conservation in the Galápagos over 18 years.
- **Supporting small business innovation in Moldova:** A \$25 million equity investment in Horizon Capital Growth Fund IV, LP will support financing for high-growth technology and export-oriented small businesses in Ukraine and Moldova.
- **Financing access to affordable housing in Tanzania:** A \$10 million loan to First Housing Finance Ltd, a Dar es Salaam-based financial institution, will expand mortgage lending to underserved populations, including women, low- and middle-income homebuyers.
- **Strengthening transportation infrastructure in Ecuador:** A \$150 million loan to Yilport Terminal Operations is helping expand and modernize the Puerto Bolívar container port in Ecuador, creating local jobs and improving port efficiency.
- **Supporting the development of hydropower in Nepal:** Nearly \$5 million in technical assistance is supporting the development of two hydropower projects in Nepal, including more than \$3 million to support Elevate Energy Private Limited and more than \$1.9 million to support Apollo Energy Private Limited.

## **Foundation and Private Sector commitments**

### **Ford Foundation**

As an anchor partner for the Democracy Delivers event, the Ford Foundation commits \$20 million over four years to support openings for democracy. Grants will include limited, new engagements in Moldova and Zambia that will focus on civic engagement for democracy, and extensions to ongoing work in Tanzania and Nepal that will advance connections between democracy-oriented actors, and grantmaking at these moments of opportunity. The commitment includes funding for Ford's long standing work to strengthen the pillars of democracy and foster government responsiveness to citizens working across borders to strengthen accountability, participation and democratic values by fostering engagement between people and their governments.

### The Rockefeller Foundation

As an anchor partner of USAID's Democracy Delivers Initiative, The Rockefeller Foundation intends to allocate – both directly and through the Global Energy Alliance for People and Planet (GEAPP), its grantee – up to approximately \$28 million to benefit Democracy Delivers countries. In Malawi, GEAPP will fund a 20 MW Battery Energy Storage Systems pilot to reduce outages and enable up to 100 MW of renewables and will support an Ag-Energy Program for smallholder farmers. In partnership with the Zambian government, The Rockefeller Foundation is supporting an effort to reach 1,000 minigrids for rural electrification. In Nepal, The Rockefeller Foundation is working with Himalayan Everest Insurance to advance a climate resilience micro-insurance product for vulnerable communities – a first for the country. To address food security, The Rockefeller Foundation is supporting efforts to produce biofortified crops for school meals in Malawi, and funding research to demonstrate the power of the Periodic Table of Food Initiative (PTFI), focusing in part on whole grain varieties in Malawi and Ecuador, as well as quinoa varieties in Malawi. Also through the PTFI, the Foundation is supporting a project to document the effects of climate change on food and nutrition security and developing adaptation approaches for vulnerable, mountain communities in Nepal.

### Chandler Foundation:

The Chandler Foundation commits up to \$4 million over three years to strengthen democratic governance and combat corruption in Democracy Delivers countries. Resources will support the development and implementation of transparency legislation in Malawi and the Government of Malawi's establishment of a School of Government and a new performance management framework for the civil service. In Zambia, grants will strengthen the state's capacity to prosecute corruption and financial crimes, and help the Government of Zambia determine remuneration and reward performance across state institutions. The Foundation will also prioritize government representatives from Democracy Delivers countries for participation in the 2024 Chandler Sessions on Integrity and Corruption at Oxford University. In addition, the Foundation is contributing to the World Bank's Governance and Institutions Umbrella Program, which supports justice sector reform in Zambia, public institution reform and GovTech in Armenia, and anti-corruption in Moldova.

### Conrad H. Hilton Foundation

In 2023, the Conrad N. Hilton Foundation is investing more than \$10 million in Ecuador. The funds support early childhood development, infrastructure projects and access to financial services and employment for refugees. In Tanzania, the Hilton Foundation is investing approximately \$8 million to strengthen primary health systems, early childhood development and youth empowerment programs. The Hilton Foundation is committed to maintaining or increasing this level of investment and continuing its partnership with organizations in Ecuador and Tanzania in the coming years.

### Google.org

Google.org is giving a \$1 million grant to the Foundation for Advancement of Moldova (FAM) and INCO to enhance cybersecurity in Moldova. These grantees will strengthen the resilience of civil society,

government institutions, and businesses against cyber threats and mis- and disinformation. The Foundation of Advancement of Moldova will work to accelerate the development of Moldova's Cyber Academy initiative, including curriculum development and skills training to facilitate the access to entry-level opportunities in cybersecurity. Through a grant to INCO, Google.org is also making scholarships for Google Career Certificates available to Moldovan learners who come from remote areas and have limited access to opportunities, with tailored wraparound support to help them complete the online course and receive professional certificates in fast-growing, high-demand technology fields. In addition to philanthropic commitments, Google will explore ways of collaboration with the government and civil society to address key shared challenges and opportunities.

#### Humanity United

Humanity United commits \$1.5 million in grantmaking to Democracy Delivers countries and related efforts between 2023 and 2025. This funding will support the efforts of local organizations and media to hold institutions accountable, conduct research and policy advocacy, and build partnerships and coalitions. In Nepal, grants will support advocacy on behalf of Dalit communities, migrant workers, and brick-kiln workers, and strengthen independent journalism. In Sub-Saharan Africa, Humanity United will support Tanzania-based platforms for promoting democracy and the rule of law, including the Pan African Lawyers Union and the Africa Drive for Democracy.

#### International Chamber of Commerce

The International Chamber of Commerce is delighted to extend its support to the Democracy Delivers initiative. Working closely with USAID, ICC will jointly explore opportunities to establish/co-create new Centres of Entrepreneurship hubs in the Dominican Republic and Zambia, to enable more small and medium businesses to access international and/or regional markets and reap the benefits of global trade. This follows an earlier announcement to set up a centre of entrepreneurship in Moldova.

#### Mott Foundation

The Mott Foundation seeks to grant approximately \$11.2 million between 2023 and 2028 to advance access to justice, community philanthropy, and climate change solutions in Democracy Delivers countries. Grantmaking will build the capacity of community justice institutions in Malawi; support the local development of community foundations that foster just, equitable and sustainable communities in Malawi and Zambia; and demonstrate a scalable model to address climate change by improving access to solar energy within selected agricultural value chains in last-mile communities in Tanzania. In addition, the Mott Foundation will consider up to \$3 million to promote, protect, and reinvigorate civic space, including in select Democracy Delivers countries.

#### The David and Lucile Packard Foundation

The Packard Foundation commits \$5 million over the next three years to support expanding civic space and the enabling conditions for strong civil society, including \$500,000 to support good governance, improved service delivery, and civil society strengthening in the current Democracy Delivers countries.

Grants will provide flexible funding to organizations and coalitions working to ensure civil society is able to thrive and its voice is included in decision making processes.

### Skoll Foundation

The Skoll Foundation is investing \$16.9 million in health systems strengthening work across more than 10 countries, including Nepal, Malawi, Tanzania, and Zambia. This work improves pandemic response, enhances community-level health systems, and seeks innovative solutions to health systems challenges by deepening partnerships between communities and Ministries of Health. The Skoll Foundation is also committing approximately \$1 million to advancing healthier information ecosystems. Among other initiatives, these funds support digital tools to advance the needs of indigenous communities in Ecuador and a campaign to elevate citizen voices on equitable and effective safeguards to protect democratic and human rights online. Additionally, since 2004, the Skoll World Forum has been a platform to collaborate, inspire, and advance transformational social change across global issues including health, climate, economic inclusion, effective governance, justice and equity, and information integrity. The 2023 Forum celebrated 20 years of impact and the innovators who drive social progress. The 2024 Forum will take place April 9-12, and will be leveraged as a platform to galvanize further discussion and action on supporting democratic openings.

### Tent Partnership for Refugees

The Tent Partnership for Refugees will expand their UNSTUCK initiative to Ecuador. UNSTUCK partners with brands to create job opportunities for refugees in global supply chains and support host countries and communities. UNSTUCK will collaborate with suppliers in Ecuador to expand their inclusive hiring programs to help Venezuelan refugees secure decent work. They have begun their work in Ecuador with La Fabril, which supplies Mary's Gone Crackers, the leading organic and gluten free cracker brand in the United States. UNSTUCK's expansion to Ecuador will support the country's ambitious integration program for displaced Venezuelans and increase U.S. sourcing from Ecuadorian suppliers, helping bolster exports and create jobs.

### Tinker Foundation

The Tinker Foundation is investing \$165,000 in Ecuador during 2023 to improve policy for and practical management of natural resources for community benefit – balancing conservation and climate resilience objectives with livelihoods considerations. Grants will support local civil society groups to safeguard access to clean and safe water through sustainable water funds and increase rural landholder participation in formal biodiversity and habitat protection.

### UPS Foundation

The UPS Foundation and UPS will leverage public-private partnerships, UPS's global network, and their healthcare logistics expertise to enhance health equity and health system strengthening in Malawi and Zambia. In Malawi, The UPS Foundation and UPS Healthcare are funding a partnership with Village Reach and Swoop Aero to expand on-demand access to quality health care through a drone initiative that will scale on-demand delivery to 40 new locations by the end of 2023 and undergo a third-party double-blind

evaluation funded by USAID. UPS will also partner with the Ministry of Health and Project CURE in the delivery of up to five ocean containers of donated medical equipment that will supply ten hospitals currently serving over 80,000 patients per month. In Zambia, UPS will deliver 1.5 million polio and measles vaccines, potentially rising to 3 million vaccines as part of its efforts to strengthen the Zambian health system. In the Dominican Republic, UPS, in partnership with USAID and the Global Alliance for Trade Facilitation, will seek to provide capacity building to small and medium-sized enterprises (SMEs) and Women Owned Businesses (WOBs). The purpose of this partnership is to inform SMEs and WOBs on how to leverage international trade through nearshoring and will begin at the end of 2023.

#### Vodafone Foundation

The Vodafone Foundation commits up to \$6 million to expand the m-mama maternal health initiative to Malawi over the next five years. m-mama is an emergency referral and transport system that connects women and newborns in rural areas with timely transportation to appropriate healthcare. The initiative has already reached nationwide scale in Tanzania and Lesotho, and efforts are currently underway to deploy m-mama in Kenya. This commitment will seed a broader \$12 million coalition to set up m-mama nationwide in Malawi, including clinical mapping of health facility capabilities and the recruitment of community drivers who can transport pregnant women and their newborns when ambulances are not available. Once set up, the Government of Malawi can sustain m-mama on an ongoing basis for approximately \$350k per year – less than the cost of bringing two new ambulances into the health system.

#### WINGS

WINGS – a community of thought leaders and changemakers who are committed to ensuring philanthropy will reach its fullest potential as a catalyst for social progress – will invest \$1.5 million over four years to elevate philanthropy as a key partner with governments and civil society actors in Democracy Delivers countries and contribute to effective localized development funding to achieve the 2030 Agenda for Sustainable Development and protect and promote democracy. WINGS will build on its existing membership presence in Nepal, Zambia, Ecuador, and Tanzania, and expand its scope of work to Malawi, the Dominican Republic and potentially other countries experiencing democratic openings. WINGS will leverage its worldwide network to provide capacity building and technical assistance that catalyzes and unlocks additional resources, improves development outcomes, and optimizes the impact of philanthropy's contribution to development.