

THE USAID FINANCE AND INVESTMENT NETWORK: ENGAGING THE PRIVATE SECTOR FOR BETTER DEVELOPMENT RESULTS

As the world's development challenges become more complex, the United States Agency for International Development (USAID) recognizes that many solutions involve close collaboration with the private sector. USAID is uniquely positioned to play an important role in mobilizing private capital into high-impact areas that align with its development goals. However, facilitating these investments requires forming relationships with a new and non-traditional set of partners.

The USAID INVEST initiative is one of the ways in which USAID is creating opportunities to deepen collaboration with the private sector and investor communities. INVEST is a flexible buy-in mechanism designed to address the challenges that make it difficult for USAID to work alongside the private sector. Since its launch in 2017, INVEST helped mobilize more than \$1.61 billion in capital across nine development sectors.

About the **FIN**

The USAID Finance and Investment Network (FIN), managed by INVEST, was established to expand USAID's access to niche expertise and to foster relationships with firms that can play a vital role in channeling resources to priority markets and sectors. Its rapid development is testament to the growing interest of the private sector in serving as a collaborating partner with USAID.

FIN members have capabilities informed by on-the-ground experience. They offer USAID complementary perspectives, distinct skill sets, and fresh insights to solving development challenges.

FIN members benefit from:

- Easy-to-access information about USAID's strategic priorities
- Capacity building support for private sector firms and small organizations to navigate USAID procurement and subcontracting processes
- Connections that may lead to partnerships or collaborations with peer organizations

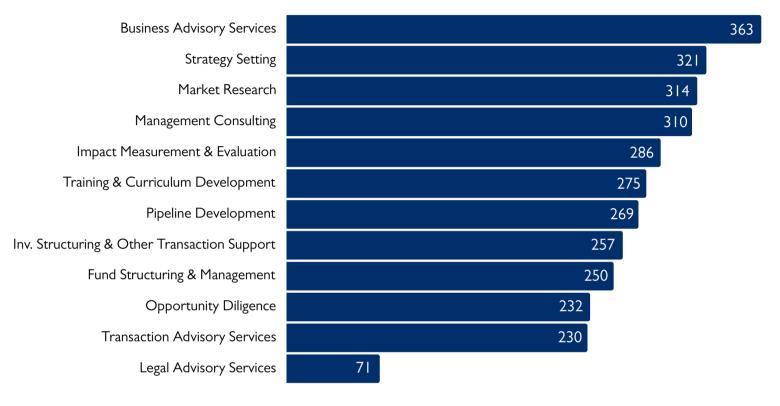
The FIN provides USAID:

- Opportunities to engage with new and nontraditional partners
 - On-demand access to niche expertise and fresh insights
 - Close connections to local markets

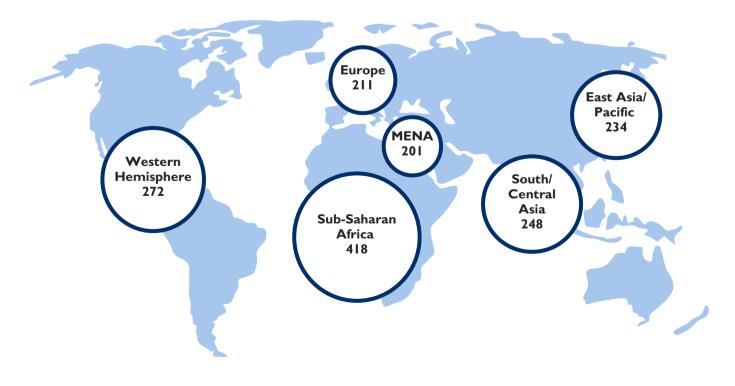


At the INVEST project's end in September 2024, the FIN contained almost 600 <u>partner firms</u> with a broad spectrum of expertise and work spanning 195 countries.

NUMBER OF PARTNERS BY EXPERTISE



NUMBER OF PARTNERS BY GEOGRAPHY



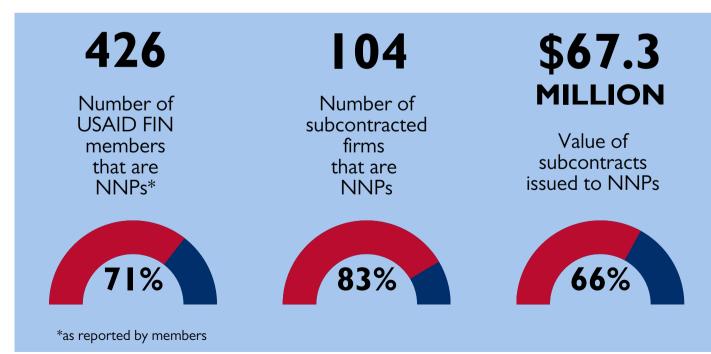


Attracting and retaining new and nontraditional partners (NNPs)

Over 70% of FIN members are new and nontraditional partners (NNPs). INVEST employs userfriendly strategies that make it less difficult for firms without previous government contracting experience to work with USAID. To assist new partners, INVEST has a dedicated procurement team, and it uses rapid, streamlined, and user-friendly procurement and subcontracting procedures. These simplified processes level the playing field, ensuring that USAID can work with the best firm for the job, regardless of that firm's size, location, or experience with government contracting.

INVEST pairs these operational services with innovative technical approaches. Understanding that different partners and different activities require different levels of support, INVEST's technical teams assist new partners in many ways, customizing the assistance to fit the individual needs of a partner or activity. Ultimately, INVEST aims to help new partners become repeat partners. By assisting them with the contracting process, INVEST ensures that they'll have an easier time should they contract or subcontract again with USAID in the future.

Furthermore, through strategic communications and compelling stories, INVEST celebrates partners' successes and shares them with USAID staff, highlighting the importance of engaging new, nontraditional, and local partners in achieving better and more sustainable development results.



ENGAGEMENT OF NEW AND NONTRADITIONAL PARTNERS

To learn more about the USAID Finance and Investment Network and USAID INVEST, please visit the <u>INVEST Procurement Hub</u> or contact <u>INVEST Network@DAI.com</u>.