DAI

Shaping a more livable world.

SUSTAINABILITY REPORT 2023

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The opinions expressed are those of the authors and do not necessarily represent the views of any government or donor agency associated with the content of this report.

THROUGHOUT THIS REPORT WE USE THE FOLLOWING ABBREVIATIONS:

U.K. Foreign, Commonwealth & Development Office (FCDO)

U.S. Agency for International Development (USAID)

European Union (EU)

Cover Photo: The USAID Philippines Safe Water activity supports volunteer patrollers to monitor and report on watershed forests, areas often beyond the reach of the government's regular patrols. Photo: Romwell "Ouie" Sanchez.

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PREFACE

Thank you for taking some time to review our *Sustainability Report* for 2023. Chief among the duties of any responsible business—but especially of a business such as DAI, which serves clients in many of the world's most challenging environments—is looking out for the safety of our staff: ensuring they are as secure from harm as they can reasonably be in such places.

At the beginning of 2023, our most pressing concern on this front was DAI's team in Ukraine, where we employ more than 250 people across five USAID and several EU projects. As detailed on pages 10-13, DAI staff—almost all of them Ukrainian citizens—are working across the country: driving economic recovery and resilience, boosting grain exports, protecting critical infrastructure and cyber security, advancing financial reforms, mitigating corruption, supporting local governments, and assisting Ukraine's integration into the international community, including its accession to the European Union.

On October 7, the Hamas attack on Israel and Israel's military response forced another region of the world into the security spotlight. DAI implements five USAID and World Bank-funded economic development projects in the West Bank and Gaza, and about 20 more projects in the immediate neighborhood: Egypt, Jordan, Iraq, Lebanon, and Türkiye. We employ 80 staff across our Palestine portfolio and in our corporate office in Ramallah, 14 of whom resided in Gaza when the hostilities began, though some of them and their families have been able to leave for Egypt.

In both cases we turn, as we always do, to our outstanding Global Security professionals—working hand in hand with our Global Workforce and country teams—for their real-time intelligence, risk assessments, and recommendations. Their expertise and hands-on capabilities come to the fore in high-profile cases such as Gaza and Ukraine but are no less vital in engagements across the world, from Haiti to Somalia and Myanmar.

In 2023, with the assistance of a security and risk advisory company founded on public-service values and ethics, we set in motion a wholesale review of our risk management framework, covering every dimension of risk, from physical security, financial, and operational risk to cybersecurity, ethical, political, and reputational concerns. We will never eliminate risk; the only way to do that would be to give up the kinds of work we do in the kinds of places we do it. But we must see our risk profile clearly and comprehensively, understand what lies within our control, and anticipate and mitigate threats with the tools at our disposal.

Effective risk management is one part of what it means to be a responsible business—a company that, among other things, protects the natural environment and seeks to mitigate climate change, respects and rewards its workforce, rejects discrimination, sees diversity as a strength, and upholds the highest ethical standards. You can review our efforts to meet these criteria in the first section of this report, organized under the headings of environment, social, and governance (ESG).

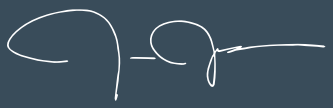
Most importantly, a consolidated risk management approach gives DAI a firm foundation from which to pursue on our long-term vision: driving systemic, positive change and durable development outcomes. This vision certainly includes responding to immediate crises such as those in Ukraine and Palestine. But mostly it entails working every day in scores of countries to lay the groundwork for peace and security, fairness and good governance, and economic opportunity and shared prosperity—the conditions that ultimately make for a more livable world. You can check out some of our efforts to nurture these conditions in the second section of our report, organized according to the Sustainable Development Goals (SDGs).

Let me conclude by recalling one particularly proud moment from 2023, one that speaks to the challenge of delivering development impact while looking after the people who make that impact possible. In June, the International Stability Operations Association conferred on DAI its Global Impact Award for our Special Immigrant Visa and other relocation efforts to assist people who have worked for the U.S. Government in Afghanistan, through DAI, and are eligible for relocation (see page 42).

Following the Taliban takeover in August 2021, we made a commitment to support these employees. As of early 2024, we have been able to assist 422 former staff and their families—1,809 people in all—in making new lives for themselves in the United States and elsewhere. And we have an additional 160 staff—representing 801 people—notified by the Department of State to prepare for relocation in the coming months.

Although our footprint in Afghanistan is much reduced, we are still working to support livelihoods activities there, especially for women (page 66). And we hope to continue our work in Afghanistan, Gaza, Ukraine, and other countries under extreme duress, while striking the right balance between risk, development reward, and staff wellbeing.

James Boomgard
President and CEO



SHAPING A MORE
LIVABLE WORL
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DAI: A GLOBAL DEVELOPMENT COMPANY

DAI is an employee-owned global development company, dedicated solely to international development. Global in reach—fielding roughly 875 corporate and more than 4,000 project staff—we are delivering development results on more than 200 projects in some 80 countries across 5 continents, from stable societies and high-growth economies to challenging environments marked by political or military conflict, such as Afghanistan, Haiti, Palestine, and Ukraine.

Our tagline ("shaping a more livable world") speaks to a mission that is unchanged since our founding in 1970: helping people improve their lives. We work for international development agencies, private corporations, and philanthropies to tackle fundamental social and economic development problems. Drawing on 50+ years of work in hundreds of countries, we connect people, entrepreneurs, and governments with the solutions, capital, and know-how that make a lasting difference in their communities.

DAI is perennially one of the leading partners for the world's leading bilateral and multilateral aid donors, including the U.S. Agency for International Development, the U.K. Foreign, Commonwealth & Development Office, and the European Union.

In 2023, DAI also worked for partners such as the European Bank for Reconstruction and Development; the European Investment Bank; British International Investment; the U.K. Department for Environment, Food & Rural Affairs; the Fleming Fund (U.K. Department of Health and Social Care); the U.K. Department for Energy Security and Net Zero/PwC; the U.K. Home Office; the Scottish Government; Irish Aid; the Swiss Agency for Development and Cooperation; the African Development Bank; KfW, the German development bank; AFD, the French Development Agency; the World Bank; the U.S. Department of State; the Bill and Melinda Gates Foundation; the Mastercard Center for Inclusive Growth; the InterAmerican Development Bank; the Global Center on Adaptation; UNICEF; and the Edo State Government in Nigeria—in addition to various private corporations and private investors.

DAI has been named U.S. Government Contractor of the Year on two occasions and recognized as one of the world's top development innovators.

In addition to DAI's work for international donors, development banks, and private companies, DAI has launched an investment and advisory business, DAI Capital, which provides capital advisory, asset management, and—as of May 2023—project finance services in frontier and emerging markets, thereby driving economic growth, creating jobs, and reducing poverty. Our advisory services are provided through subsidiary DAI Magister. On the asset management side, DAI in 2021 acquired MicroVest Capital Management. One of the world's leading lenders to responsible finance institutions, MicroVest has disbursed more than US$1.6 billion to some 200 financial institutions across more than 60 countries.

DAI Capital Adds Project Finance Business Line

In May 2023, DAI announced the addition of specialized project finance capabilities to its growing DAI Capital business, complementing its capital advisory and asset management services, and consolidating its presence in the Asia region.

Based largely in Australia but drawing on expertise worldwide, the project finance team has a record of developing and financing infrastructure projects in the healthcare, water, circular economy, and renewable energy sectors, with a focus on Indigenous Australia and Asia.

The DAI Capital Australia team is led by Stephen Moss and Scott Roantree, who serve as Executive Chair and CEO, respectively. Both Moss and Roantree bring to the firm decades of experience in investment mobilization and international development.

"We are delighted to be joining DAI. Most importantly, DAI shares our commitment to the spirit of the Sustainable Development Goals and our conviction that the greatest opportunity for advancing global development and climate action lies in accelerating the provision of private capital to emerging and frontier markets."

—Stephen Moss, Executive Chair, DAI Capital Australia

DAI WORKS ACROSS DEVELOPMENT DISCIPLINES

CLIMATE

Translating climate science and policy into locally viable and sustainable solutions.

DAI CAPITAL

Mobilizing and deploying private capital in frontier and emerging markets.

GOVERNANCE

Improving government performance and accountability by providing technical advice, strategic guidance, and support to public institutions, elected bodies, and citizens.

ECONOMIC GROWTH

Driving trade, investment, technology, agriculture, business, and financial services to create jobs, reduce poverty, and enhance food security.

EDUCATION

Improving learning outcomes for all by strengthening education systems.

ENVIRONMENT

Enhancing the management of natural resources in a way that supports economic growth and strengthens resilience.

FRAGILE STATES

Supporting political transition, ensuring short-term stability, preventing and countering violent extremism, and promoting development in fragile environments.

GLOBAL HEALTH

Delivering holistic, tech-enabled solutions to save lives and improve wellbeing worldwide.

SUSTAINABLE BUSINESS

Helping companies to be smarter corporate citizens in their local business operations and assisting public authorities to grow sustainable industries.

DIGITAL ACCELERATION

Designing and deploying innovative, user-centered digital tools that drive change across emerging markets.

FOCUS ON: UKRAINE

Working with Ukraine and its Allies

Russia's full-scale invasion of Ukraine in February 2022 prompted swift support from foreign governments and international aid organizations for the people of Ukraine. With 9 projects active in Ukraine at the time—4 USAID, 4 EU, and 1 FCDO—DAI was well positioned to deliver this assistance through proven mechanisms, trusted partners, and established relationships with stakeholders in Ukraine's government.

Observers have noted that Ukraine's decentralization reforms, launched in 2016, likely saved Ukraine in the early days of the full-scale invasion, as decentralized governance is better suited to rapid crisis response and resource mobilization. The USAID-funded **Local Governance and Accountability (HOVERLA) Activity** is at the center of this reform, having worked since 2021 to complete the legal framework for decentralization, support the operation of newly consolidated communities, and promote citizen engagement.

Since 2022, HOVERLA has combined these efforts with direct emergency response and recovery assistance: 98 Ukrainian communities and 11 regional military administrations—home to 2.6 million Ukrainians—received modern equipment including 100 backhoe loaders, 565 high-capacity generators, 250 multifunctional tents, 338 portable radio stations, and almost 9,000 pieces of firefighting gear. This equipment will allow the communities to be increasingly self-sustaining and independent, in line with the decentralization agenda.

Photo: USAID Ukraine Investment for Business Resilience Activity.

Alongside its ground war, Russia ramped up a cyber campaign that had been simmering since 2014—launching coordinated cyberattacks designed to destabilize Ukrainian government services and disorient the population. DAI understood that for Ukraine to mitigate these attacks and thrive over the long term, it must combine effective emergency response with structural investments that position the country to develop its own cybersecurity capacity. This dual approach is a hallmark of the **USAID-funded Cybersecurity for Critical Infrastructure in Ukraine Activity** (CCI).

In 2023, the CCI Activity helped build the resiliency of 30 state registries and supported deployment of endpoint detection and response solutions for 10,000 civil servants across 13 government agencies. It provided specialized equipment that enables 220 internet providers to repair crucial telecommunication services in 24 cities. Nationwide, CCI provisioned 30 fiber optic repair and maintenance labs and addressed the urgent equipment and software needs of 25 displaced or damaged institutions. With CCI support, eight Ukrainian universities updated 11 cybersecurity educational programs and developed a new program aligned with the country's new cybersecurity professional standards—laying the groundwork for a cyber-resilient state with a robust and innovative workforce.

Economic resilience is equally fundamental to Ukraine's resistance, as vibrant business activity, healthy exports, and paid employment underly the taxes that fund the country's defense. The invasion had a dramatic effect on Ukraine's economy, especially the Black Sea blockade, which halted grain exports for months. Even with the Black Sea Grain Initiative in effect, Ukrainian food exports remain down 27 percent—leading USAID to support Ukrainian and European partners in exploring export alternatives through the **USAID Economic Resilience Activity** (ERA).

Photo: USAID Cybersecurity for Critical Infrastructure in Ukraine Activity.

ERA pivoted to assess infrastructure bottlenecks and develop solutions to increase exports and move crops overland through other European neighbors. In 2023, ERA purchased 146 units of equipment for 16 companies, including 50 grain wagons, 13 truck scales, 2 wagon scales, 27 generators, 18 grain trailers, 2 temporary grain silos, 1,050 grain bags, 23 telescopic cranes, and laboratory equipment for grain testing. This support allowed grantee companies to export 203,000T tons of grain in 2023 (see page 63).

Ukraine's pathway to EU membership remains a priority even during the invasion, and several DAI projects continue to work on aligning the country's legislative landscape with EU accession requirements. The **Implementation of EU Practices for Accounting, Financial Reporting, and Audit in Ukraine project**, for example, works to establish EU-compliant corporate sustainability reporting—a precondition for joining the EU. With the project's support, Ukraine became the first non-EU country to be awarded the official status of Observer to the Committee of European Auditing Oversight Bodies.

Similarly, the EU **Strengthening Capacities in External Audit in Line with International Standards in Ukraine** project has trained 260 Accounting Chamber of Ukraine employees in conducting audits in line with the International Standards of Supreme Audit Institutions and 266 employees in writing audit reports to match international standards. The project contributed to six legislative and regulatory acts that improve financial market regulation and expand access to finance for business.

Photo: USAID Ukraine Governance and Local Accountability (HOVERLA).

In addition to its massive human and economic toll, the invasion is devastating the natural environment, including through deliberate acts such as the detonation of the Kakhovka Dam. Against this backdrop, the EU **Support in Approximation of the EU Environmental Acquis** project works to stabilize and improve the environment by integrating environmental policies and principles into economic and social development. Alongside its core achievements—nine Cabinet of Ministers decrees issued, two environmental laws passed, 27 legislative proposals drafted, and a series of trainings and communications strategies developed—the project also helped launch EcoDanger, an application to document Russia's environmental war crimes.

In mid-2023, DAI launched the **Ukraine Management Unit**, bringing together operations, contracts, recruitment, and communications specialists to ensure that we offer seamless, exemplary project implementation across our growing Ukraine portfolio. We look forward to realizing the benefits of that consolidation in 2024 and beyond as we continue our work with the people of Ukraine.

Photo: USAID Ukraine Governance and Local Accountability (HOVERLA).

ENVIRONMENT

DAI is committed to ensuring environmental sustainability and integrating the principles of sustainable development in all its corporate operations and development projects. We work to promote equitable management of biodiversity and ecosystems, improve access to safe water and sanitation, and support climate change resilience and mitigation.

Wherever we work, we are committed to complying with all applicable environmental laws, rules, and regulations.

Climate Change

We continue to seek and implement ways to better manage our greenhouse gas (GHG) emissions through our global office operations. We also look for opportunities to mainstream low-carbon development pathways through the projects we design and deliver worldwide.

DAI has developed significant expertise over the past decade through our extensive portfolio of climate-related programming. We are integrating this climate expertise across other sectoral programs and working to ensure that we conduct our business in line with our Net Zero commitments and sustainability ambitions. Our climate team is focused on reviewing and managing corporate climate risks, including our strategy for carbon reduction; managing risks to project implementation due to climate change; and advising on best practice and innovation for new business opportunities.

A joint open house between staff from the EU Acting for Climate in South Mediterranean (Clima-Med) and the Support the Secretariat of the Global Covenant of Mayors for Climate and Energy projects.

Our Net Zero Target

In March 2021, DAI signed up to the Science Based Targets Initiative (SBTi) as part of a company-wide effort to lower our GHG emissions. As SBTi signatories, we are committed to submitting science-based targets for GHG reductions. In 2022, SBTi approved our near-term target, to reduce emissions by 50 percent by 2030 from a 2019 baseline year.

We have also signed on to the Race to Zero campaign. This global initiative brings together businesses, cities, regions, and investors to support what the campaign calls “a healthy, resilient, zero-carbon recovery that prevents future threats, creates decent jobs, and unlocks inclusive, sustainable growth.”

The USAID Peru Prevent project is establishing forest monitoring networks to reduce deforestation. Photo: USAID Peru Prevent.

Pursuing Our Target

DAI is reducing emissions across the three GHG reporting scopes, focusing on business travel and offices. We are switching to renewable energy providers and embedding energy efficiency best practices globally. We are also reducing the number of flights we take, localizing activities, and providing our staff with the data, choices, and incentives they need to make smarter and greener travel decisions.

We constantly seek ways to facilitate best practice, sharing what we have learned and learning from others to provide better value to our clients and the societies where we operate.

Transparency and Accountability

DAI voluntarily reports annually to the Carbon Disclosure Project (CDP), a globally recognized disclosure system for investors, companies, cities, and states to record and manage their environmental impacts. For 2023 reporting (based on 2022 data, the latest available), the General Services Administration (GSA) requested that DAI submit separate GHG emissions data for our U.S. office to **CDP.**

The U.S. GSA uses CDP as the repository for emissions reporting for major federal contractors and maintains a score card for the top 200, of which DAI is one. Our U.K. office submits a separate report directly to the FCDO.

Emission Scopes

SCOPE 1
For DAI, Scope 1 emissions resulted from fuels used in DAI offices (heating or backup power), refrigerant leakage from air-conditioning or refrigeration equipment, and corporate and project vehicles.

SCOPE 2
Scope 2 covers indirect emissions such as purchased electricity, steam, heating, and cooling. For DAI, Scope 2 emissions result primarily from electricity usage.

SCOPE 3
Most of our emissions in Scope 3 are caused by business travel. We have not excluded any Scope 3 categories in our baseline or from our near-term target despite air travel being the most challenging scope to decarbonize.

Results to Date

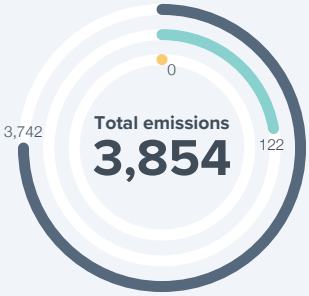
We selected 2019 as a baseline against which to measure our progress because it is the most representative recent (pre-pandemic) year from which we could gather data. Emissions across all DAI corporate and project offices and activities were calculated at 32,938 tons of carbon dioxide equivalent (tCO2e), including all relevant GHG emissions from sources and subsidiaries.

In 2023, we provided CDP with our emissions reporting for scopes 1, 2, and 3 for our U.S. office in Bethesda (see graph). We received a 'C' grade, which is the global average for professional service firms, indicating awareness-level engagement and highlighting our understanding of how environmental issues intersect with business and how our operations affect people and ecosystems. We remain committed to continue improving our score and strengthening our processes and systems to drive emissions down.

DAI US

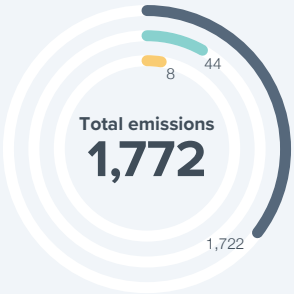
2019

- Scope 1
- Scope 2
- Scope 3



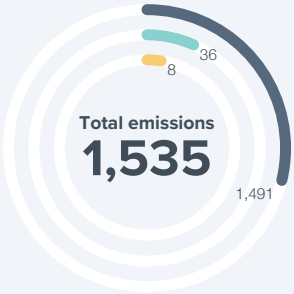
2021

- Scope 1
- Scope 2
- Scope 3



2022

- Scope 1
- Scope 2
- Scope 3



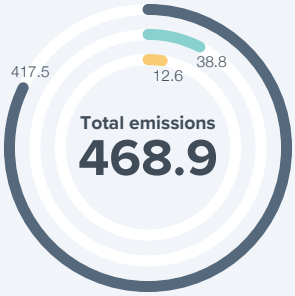
*All figures are tCO2e

While emissions for our U.K. office continue to track down, we saw a small uptick under scope 3. This is primarily attributable to a COVID bounce-back on travel. We are continuing to update our systems, tools, and procedures to minimize the need for travel where possible and, where necessary, use lower-carbon options as the default.

DAI UK

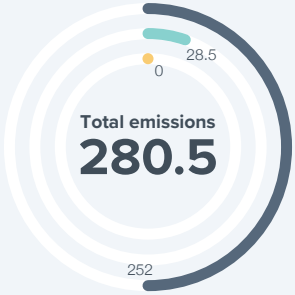
2019

- Scope 1
- Scope 2
- Scope 3



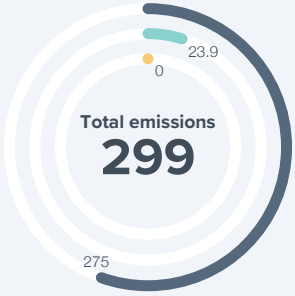
2021

- Scope 1
- Scope 2
- Scope 3



2022

- Scope 1
- Scope 2
- Scope 3



*All figures are tCO2e

ISO Certifications

DAI's U.K. office achieved the internationally recognized ISO 9001:2015 and ISO 14001:2015 standards in 2010, establishing it as an operations leader in international development consulting and implementation. These certifications were extended to our Belgian (2019) and Austrian (2022) operations, and in 2022 our Nigeria office also received the ISO 9001:2015 certification.

The ISO 9001:2015 certification requires that DAI implements a quality management system that ensures consistency and continuous improvement, leading to high performance and customer satisfaction levels.

ISO 14001:2015 requires DAI to have a policy and action plan to manage our impact on the environment, including in areas such as compliance, wastage, and environmental proactivity.

DAI's Nigeria office achieved ISO 9001:2015 certification in 2022.

DAI at COP28

Numerous DAI-led projects and technical experts participated in the **28th Conference of the Parties** (COP) in Dubai in 2023, reflecting our leadership in equitable climate finance, clean energy, and transparent climate governance at local and national levels. Participating DAI projects included:

- The **EU Global Support Facility for Nationally Determined Contributions** (NDCs)
- **Support to the Secretariat of the Global Covenant of Mayors for Climate and Energy (GCoM)**
- **Acting for Climate in South Mediterranean** (Clima-Med)
- **Technical Assistance for the 11th EDF Intra-ACP Natural Disaster Risk Reduction Program**
- The Centre for Disaster Protection, which co-hosted a panel to showcase its flagship **State of Pre-arranged Financing for Disasters 2023** report and supported the launch of the **Getting Ahead of Disasters: Charter on Finance for Managing Risks** report.
- The **Climate Ambition Support Alliance**
- The **USAID Economic Governance Activity**

Climate Change Trailblazer

In March 2023, DAI Board member Elizabeth Littlefield was included in Reuters Impact's list of women leading the fight against climate change. The list of 25 trailblazers recognizes women whose contributions to the fight against climate change are significant but perhaps less well-known than others.

Littlefield's commitment to international development and the environment is a constant in her career. In 2010, for example, when President Obama appointed her to lead the Overseas Private Investment Corporation, now renamed the U.S. Development Finance Corporation, she used the opportunity to reorient the organization to emphasize renewable energy—especially solar and wind—impact investing, and the lowest-income countries. The agency became the principal source of financing for Obama's Power Africa initiative.

Littlefield is currently the Senior Partner with West Africa Blue, a developer of community-centric nature-based solutions to climate change, focused on Blue Carbon projects across West Africa; a Senior Advisor to Pollination, a climate change investment advisory firm; and an advisor to BeyondNetZero, a climate-focused growth equity fund managed by General Atlantic.

In addition to her role with DAI, she chairs the board for M-KOPA—an award-winning, pan-African provider of pay-as-you-go solar and smart phone products for low-income customers in Africa—and serves as a board member and treasurer of the World Wildlife Fund. She was the founding chair of the Global Innovation Lab for Climate Finance.

"I'm honored to be named alongside such a distinguished group of women and delighted to see their diverse activities recognized."

— Elizabeth Littlefield, DAI Board member

Environment and Climate Memberships

- Member of the **Climate Technology Centre & Network**, the operational arm of the United Nations Framework Convention on Climate Change.
- Member of the **IRENA Coalition for Action**, an initiative to spur dialogue among international stakeholders to increase the use of renewables in the global energy mix.
- Accredited Observer status for the **Green Climate Fund**, a body set up in 2010 through the UN Framework Convention on Climate Change to address the climate adaptation needs and carbon emission reduction strategies of developing countries.
- Member of the **International Solid Waste Association**, which promotes and develops sustainable waste management worldwide and supports the transition to a circular economy.

FOCUS ON: WATER

Water is the Stuff of Life

The health of the world's aboveground waterways, underground resources, and formal delivery systems is intrinsically linked with the health and well-being of every individual on the planet. But the escalating pressures exerted on our water systems by climate change and environmental degradation are increasing the strain on water resources and delivery systems, making them less reliable and more constrained.

Without access to sufficient water of sufficient quality, many of our development objectives—from agricultural development to gender equity, education, and economic prosperity—simply cannot be achieved. With at least 2 billion people using contaminated water sources and 1.5 billion still lacking access to basic sanitation services, we continue to put environments and personal health at risk and limit the ability of communities and economies to thrive. According to the *UN World Water Report 2023*, the current rate of progress must **quadruple** if we are to meet SDG 6, providing clean water, sanitation, and hygiene services to all by 2030.

Water, sanitation, and hygiene (WASH) and water resource management (WRM) are complex challenges that require comprehensive solutions. DAI, accordingly, addresses them through a systems-based approach, focusing on building the capacity of local stakeholders and amplifying the voices of end-users (especially marginalized groups). By aligning incentives, we aim to strengthen the enabling environment, helping communities and countries succeed at addressing WASH and WRM challenges.

Photo: USAID Nepal Karnali Water Activity/Jitendra Dhami.

SELECT
WATER-FOCUSED PROGRAMS

DAI has helped deliver many of USAID's water-focused programs and is currently managing more than a dozen such projects, including major initiatives in Haiti, Indonesia, Kenya, Lebanon, Nepal, the Philippines, Uganda, and Zambia. In 2023, we were proud to win or extend four substantial water projects, including a major initiative for the Gates Foundation.

Fragile Waters
In September, DAI was chosen to implement USAID's five-year Fragile Waters project. This Washington D.C.-based mechanism provides USAID Operating Units, government ministries, service providers, regulators, basin authorities, local officials, and communities with the information and interventions to pivot water security approaches and programs as shocks and stressors unfold.

Kenya Sustainable Transformational and Accessible Water Interventions (STAWI)
In October 2023, Kenya STAWI received an additional $15 million in funding from USAID to continue building resilience and expanding economic opportunities in nine counties in northern and southeastern Kenya. The project's integrated and inclusive water security approach relies on collective action to align stakeholder interests toward an integrated vision of water management that meets the needs of households, livestock, and the agricultural sector.

Uganda FtF Water and Food Systems for Resilient Communities
In September 2023, DAI was awarded the five-year USAID Uganda Feed the Future Water and Food Systems for Resilient Communities Activity that addresses water and food insecurity in three water catchments in northeast Uganda. This area is home to nomadic pastoralists whose livelihoods are at risk due to cattle raiding and the effects of climate change (drought and flooding). This part of Uganda also suffers from fragmented markets, chronic underinvestment in public services, and a lack of private-sector investment.

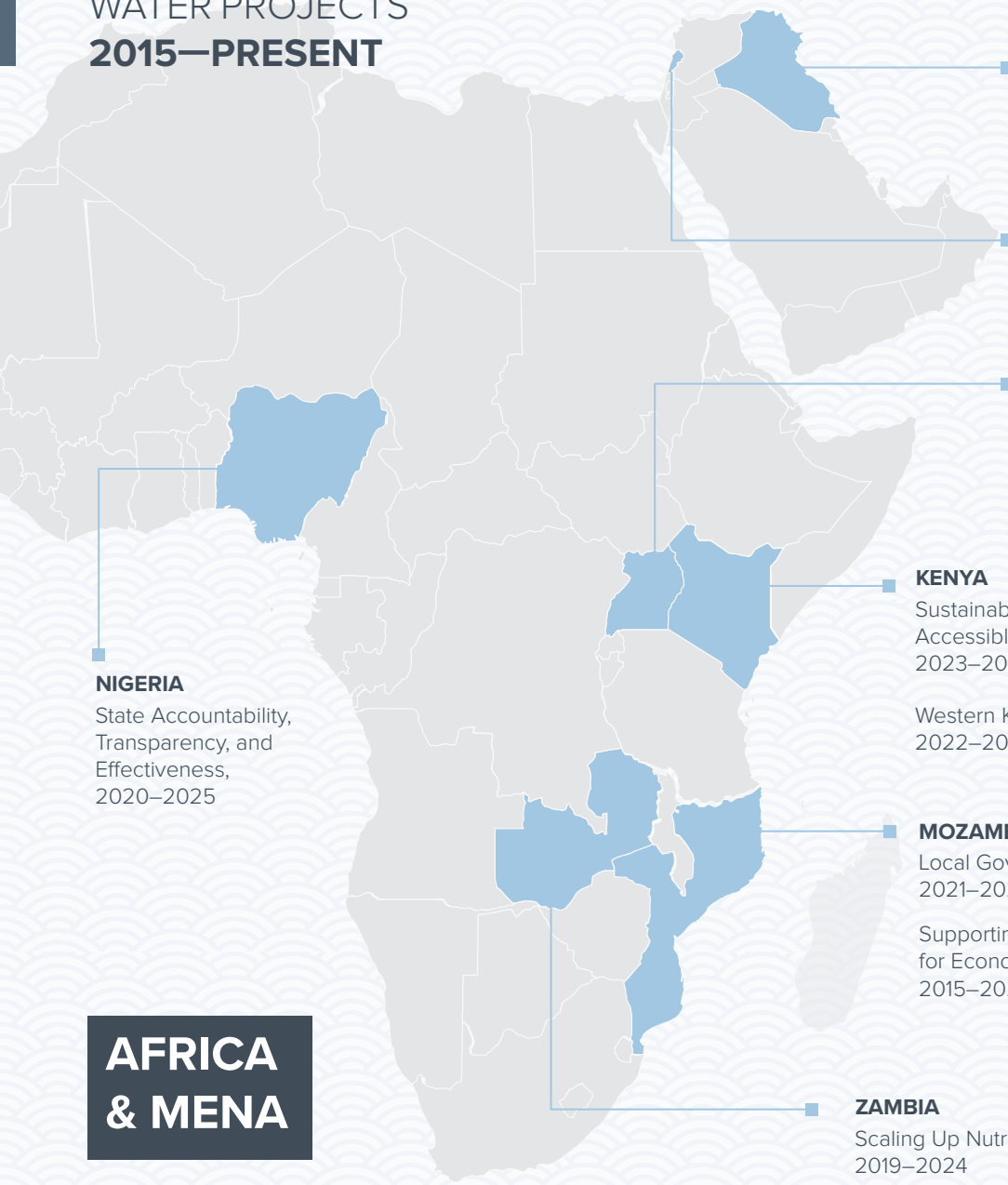
WASH Coordination (Gates)
At the end of 2023, DAI was awarded the WASH Coordination project by the Bill & Melinda Gates Foundation to establish and strengthen national coordination mechanisms in the WASH sector, working across five countries spanning three African regions. DAI will boost collaboration between sanitation stakeholders, facilitate inclusive policy reform, improve data systems, and increase accountability in the sector.

In early 2024, DAI was awarded the **Haiti Water Security and Systems** (USAID Eau) project. USAID Eau partners with multiple stakeholders—water utilities in larger towns and smaller water systems, regional water authorities, the national water agency, civil society organizations, and private entities—to transform the Haitian water sector by helping service providers develop and implement plans to expand coverage to all target areas, gain access to finance, and better manage water resources for resilient, sustained service delivery.

Since 2015, DAI-led projects have made a significant contribution to the development of sustainable WASH and WRM systems in water-challenged countries around the world, benefitting millions of people.

WATER PROJECTS
2015 — PRESENT

WATER PROJECTS
2015—PRESENT



IRAQ
Iraq Governance and Performance Accountability, 2017–2023

LEBANON
Lebanon Water, Sanitation, and Conservation, 2021–2026

UGANDA
Feed the Future Water and Food Systems for Resilient Communities Activity, 2023–2028

KENYA
Sustainable Transformational and Accessible Water Interventions, 2023–2028

Western Kenya Water Project, 2022–2027

NIGERIA
State Accountability, Transparency, and Effectiveness, 2020–2025

MOZAMBIQUE
Local Governance Strengthening, 2021–2025

Supporting the Policy Environment for Economic Development, 2015–2026

ZAMBIA
Scaling Up Nutrition Technical Assistance, 2019–2024

AFRICA & MENA

WATER PROJECTS
2015—PRESENT

IMPACT

356

COMMUNITY OR MUNICIPAL WASH PLANS improved or developed

94

PUBLIC-PRIVATE PARTNERSHIPS facilitated

$482 Million

MOBILIZED
to fund water and sanitation

405

KNOWLEDGE MANAGEMENT PRODUCTS, events, and coordination mechanisms supported

USAID Lebanon Water, Sanitation, and Conservation Project has assisted dairy product manufacturer GoBaladi to switch to solar power for some operations. Photo: Charbel El Kosseifi.

49

INSTITUTIONS ASSISTED
in adopting management information systems and/or data management tools

192

INSTITUTIONS STRENGTHENED
in their capacity to plan, monitor, regulate, and finance WASH and WRM

8.2 Million

PEOPLE GAINED access to basic, improved, or safely managed water services

5.1 Million

PEOPLE GAINED
access to basic, improved, or safely managed sanitation services

The Western Kenya Water Project (WKWP) supports decentralized county governments to deliver the inclusive and sustainable services that strengthen water security. Photo: USAID Kenya WKWP.

1,066

WATER SECURITY, sanitation, and health enterprises supported

298,000

PEOPLE TRAINED to conserve water, ensure sustainable services, and promote gender equity

327

WATER SERVICE providers strengthened

372

WASH POLICIES, regulations, guidelines, or frameworks developed, strengthened, or adopted

USAID Philippines Safe Water project team discuss options for securing water supply systems against weather and climate damage. Photo: Crystal Garcellano.

SOCIAL

At DAI, our global team rallies around one shared purpose: to make a lasting difference in the world by helping people improve their lives. We envision a world in which communities and societies become more prosperous, fairer and better governed, safer, healthier, and environmentally more sustainable.

To achieve this mission, we must be a great place to work, and we must be a successful business. We need to attract and retain extraordinary talent—which means tapping the global talent pool in all its diversity—and we must provide our team with professional opportunity, fair salary and benefits, and a healthy work-life balance.

We are committed to building a diverse, equitable, and inclusive workforce, collaborating with partners who share our mission and values, and protecting the rights and interests of the communities where we live and work.

Workforce Diversity at DAI

DAI is a global company operating from 15 corporate locations and typically working in up to 100 countries. At the end of 2023, our global workforce consisted of 875 corporate employees and 4,900 project staff delivering development results across more than 240 projects. Our workforce is who we are: vibrant, multicultural, inclusive, diverse, collaborative, and forward thinking. Caring about our work and about each other is a fundamental part of the company.

disability confident COMMITTED

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Current and former staff enjoy a DAI Reconnect event in London, November 2023.

875 CORPORATE EMPLOYEES

99 LANGUAGES SPOKEN

72 NATIONALITIES

Diversity, Equity, Engagement, and Inclusion

Diversity, equity, engagement, and inclusion (DEEI) have been at the heart of our values as a company since our founding. Committed to ensuring that racial and social justice are woven into the fabric of the company, the DEEI team is led by Vice President and Global Head of DEEI, Bobby Jefferson. Organizationally, the DEEI team sits within the Ethics & Integrity office, enabling us to address the full range of DEEI opportunities and issues company wide.

The DEEI department has a charter to:

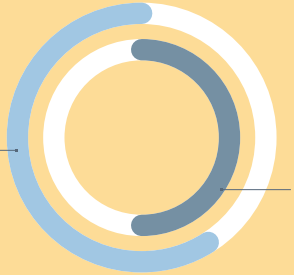
- Institutionalize DEEI at DAI, ensuring it cuts across all business areas.
- Cultivate a diverse workforce that reflects the global talent available to DAI, including in the leadership team.
- Nurture an inclusive culture that fully harnesses the potential of that workforce.
- Support our employee resource groups (ERGs) to ensure group members are embraced by the company and recognized for their contributions.

DAI has six employee resource groups: DAI Noir, led by employees of African ancestry and their allies; the Asian and Pacific Islanders (API) group; DAI Pride, the lesbian, gay, bisexual, transgender, queer, and intersex, plus group; La Familia, our Latina/o group; the U.K. Disability Inclusion group (GANDI); and our Gender and Social Inclusion group (GESI).

In 2023, we sponsored our first-ever Capital Pride March in Washington, D.C. The DAI Pride group, in partnership with the DEEI team, were joined by some 50 DAI staff members.

GENDER DIVERSITY

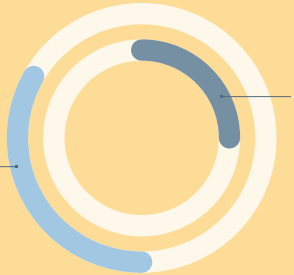
60.4%
WOMEN
in the global corporate workforce



50.0%
WOMEN
in the organization's governance bodies

RACIAL AND ETHNIC DIVERSITY

34.9%
RACIAL/ ETHNIC GROUP
representation in the global corporate workforce



20.0%
RACIAL/ ETHNIC GROUP
representation in the organization's governance bodies

Note: 13.6% of respondents chose not to provide a racial/ethnic identification.

Governance bodies: Full-time DAI corporate employees in an executive position within the company as of December 2023, or a member of DAI's Board of Managers.

Race/ethnic diversity: Representation based on U.S. Census categories; namely, Black/African American, American Indian/Alaskan Native, Hispanic or Latino, Asian, Middle Eastern/North African, Two or More, Unknown, and White.

Expanding the Leadership Pipeline

To ensure we have access to the best talent available, we continue to refine our recruitment and people processes, incorporating DEI into all our job descriptions, for example, and deepening our relationships with historically black colleges and universities and minority-serving professional associations and conferences.

In 2023, we made it a point of emphasis to welcome veterans and military service members in our outreach and talent acquisitions efforts. For example, we produced a film honoring DAI veterans, military service members, and their families for Corporate Gray's virtual career fair for veterans and the military.

DAI projects tackle some of the world's toughest issues, and the staff on those programs represent a deep reservoir of expertise. Investing in their career growth is critical. In 2023, we transitioned our Project Leadership Program—which focuses on project staff who could be future company leaders—from a pilot to a pillar of our professional development approach. Participants receive six months of leadership training, skills development, and networking with leaders across the business.

"The insights gained from the program have been highly applicable to my work. The emphasis on leadership multipliers has inspired me to adopt a more visionary approach in my role, focusing on inspiring and empowering my team for greater collective impact."

—Marifer Martinez, Project Leadership Program Participant

Investing in Underserved Markets

Through DAI Capital, DAI's capital advisory and investment business, DAI is complementing its traditional global development work by directly mobilizing private capital to frontier and emerging markets, enabling the firm to extend the benefits of investment to traditionally underserved and underrepresented groups.

In 2023, DAI Capital added a project finance team with a strong presence in Australia, which has a record of developing and financing infrastructure projects in the healthcare, water, and renewable energy sectors, primarily in Indigenous Australia and Asia.

In 2023, the Australia team worked on a roads infrastructure private equity placement that entails structuring and raising capital for the acquisition of a Western Australian asphalt company by an Indigenous-owned, -managed, and -controlled entity. The team is also supporting the development of a framework for social impact to deliver on the client's objective of supporting Indigenous employment.

MicroVest, which joined DAI in 2021 and is part of DAI Capital's asset management arm, specializes in allocating private debt capital to responsible microfinance and small and medium-sized enterprise (SME) financial institutions serving underbanked microentrepreneurs and small businesses in emerging markets. In 2023, for example, MicroVest invested in OnePuhunan, a microfinance institution that provides financial services to low-income female microentrepreneurs in the Philippines. For more on MicroVest, see SDG 1: No Poverty (page 55).

Safeguarding

We deliver mandatory ethics and safeguarding training for all DAI staff at corporate and project locations. DAI's Safeguarding Policy Statement incorporates current best practices in line with the FCDO's Enhanced Due Diligence requirements.

Mireille "Mimi" Damiba, an international development professional with almost 20 years of experience in global human resources management, recently joined DAI as our Director of Safeguarding. Mimi will lead DAI efforts to prevent and respond to sexual exploitation, abuse, and harassment, ensuring safeguarding concerns are handled in line with sector-wide best practices, including confidentiality, timeliness, and adherence to a survivor/victim-centered approach.

Mimi is supported by safeguarding focal points across the company, who collectively work to instill confidence in staff, partners, and communities that DAI will properly handle safeguarding concerns.

"At DAI, we have always tried to contribute to the common store of best practices for safeguarding in an international setting. I look forward to continuing that effort and to maintaining the highest standards for DAI's work around the world."

—Mireille "Mimi" Damiba, Director of Safeguarding

DEEI in our Solutions

Diversity and inclusion are central to much of our work. In 2023, we were proud to be entrusted with various projects addressing these themes, including the following:

- The Mastercard Center for Inclusive Growth's **Strive USA Program** improves the financial resiliency of U.S. small businesses while assisting them in joining the digital economy. The program focuses on local community intermediary institutions that support minority- and women-owned businesses through capital and business advisory support (or technical assistance). Over the five years of the program, Strive USA aims to reach 5 million small businesses nationwide. Launched in September 2022, Strive USA has achieved the following:

496,741 small businesses reached

$33.2 billion in capital deployed by coalition partners

500+ community financial institutions and business support organizations engaged

Photo: Strive USA Program.

- In Honduras, the **USAID Honduras Local Governance** and **Unidos por la Justicia** projects work with local governments and national government to strengthen their advocacy efforts related to LGBTQI+ civil society organizations. In 2023, the two projects brought together various LGBTQI+ organizations to develop a draft Municipal Nondiscrimination Policy—an instrument to prevent and reduce discrimination against LGBTQI+ and other historically marginalized populations in Honduras.

- Working in an environment where social norms do not support women and women's empowerment, the **Pakistan Land Registration in Merged Areas Activity** (LRMA) ensures gender and social inclusion are integral to its work. The activity engages women and other marginalized groups in designing activities to promote their rights in land settlement processes. For example, LRMA provided gender sensitization training to 117 staff in land settlement, trained 15 lawyers from the Women Lawyers Forum on how to write laws that protect women's inheritance rights, and developed a messaging framework to communicate those rights.

USAID-funded activities Honduras Local Governance and Unidos por la Justicia helped LGBTQI+ organizations hold their first national gathering in Tegucigalpa, marking a historic milestone for civil society organizations in Honduras.

DAI Recognized for Afghan Staff Support

In June 2023, DAI was honored to receive a **Global Impact Award** for our work to support Special Immigrant Visa (SIV) and other relocation efforts for DAI employees in Afghanistan. Conferred by the **International Stability Operations Association** (ISOA), the "Afghan SIV and Refugee Resettlement Operations" award reflects unstinting efforts by DAI staff to help relocate Afghan colleagues and their families.

In August 2021, when the Taliban took control of Kabul, DAI had six ongoing U.S. Government-funded projects in Afghanistan, employing some 550 Afghan staff. DAI Executive Vice President Tine Knott declared that supporting relocation and SIV requests would be "our highest priority." Since then, we have been able to assist 422 former staff and their families—1,809 people in all—in making new lives for themselves in the United States and elsewhere. And we have an additional 160 staff—representing 801 people—notified by the Department of State to prepare for relocation.

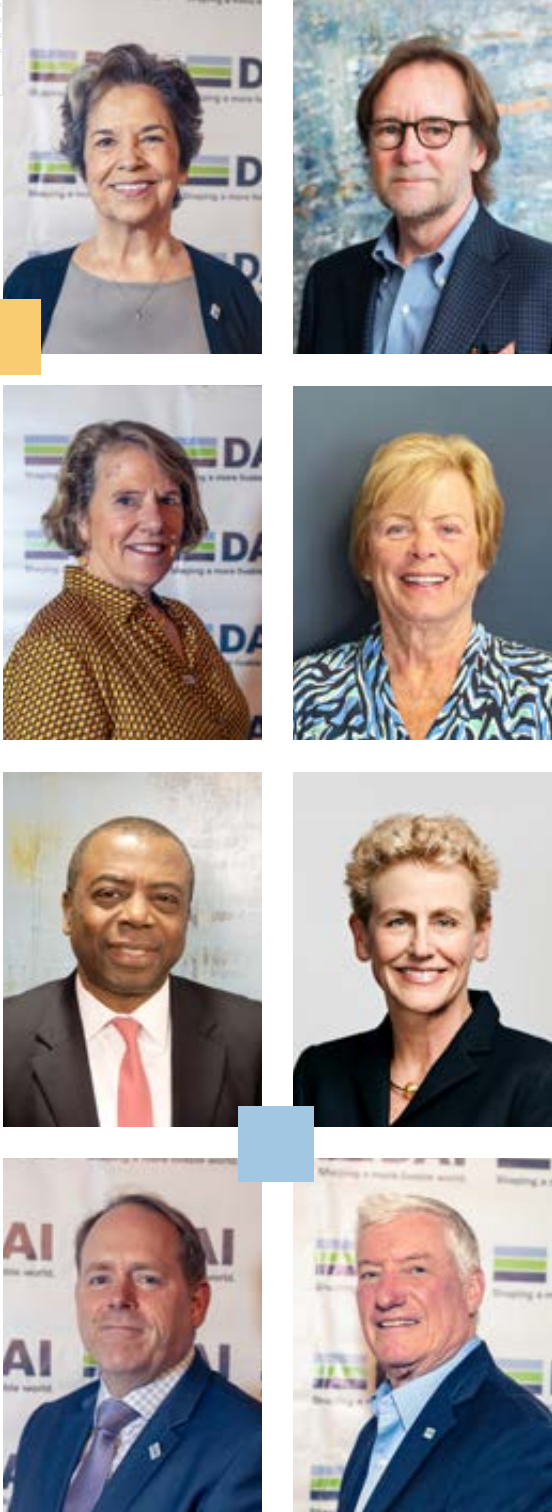
"We are fiercely committed to this work because we know what is at stake," said an Afghan member of the Relocation Team, who himself was employed on a DAI project before being evacuated.

Tine Knott accepts the ISOA award on behalf of DAI.

DAI Afghan staff and family members after arrival in Massachusetts.

GOVERNANCE

Strong corporate governance is core to our company identity and values of responsibility and integrity. Our governance practices require transparency, promote ethical staff behavior, and ensure accountability for our actions.



DAI's Board of Managers (at right).

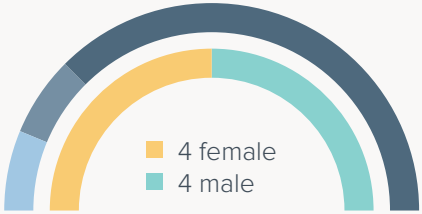
Corporate Governance

We are independently governed by our Board of Managers, which oversees and holds to account our Global Executive Team (GXT), and in concert with the GXT establishes the standards observed by DAI's workforce around the world.

Half of the Board members are female, including our chair, Elizabeth Nelson. Apart from DAI President and Chief Executive Officer Jim Boomgard, the Board is wholly independent. All executive and management company functions are separate from the Board. Board appointments are for three years and members may not serve more than four terms.

Board Make-Up

8 board members



- 1 Hispanic or Latino
- 1 Black / African American
- 6 White

GXT: from top, Jean Gilson, Zan Northrip, and Helle Weeke.

GXT from top, John Maris, Tine Knott, and Gavin Wilson.

Jim Boomgard

"Reflecting on DAI's 2023, I see a year of growth, reconnection, and building for the future."

—Jim Boomgard, in his annual letter to staff

Keith Butcher Joins the DAI Board

In 2023, the Board welcomed Keith Butcher, co-founder of ButcherJoseph & Co. and Mosaic Capital Partners.

For more than two decades, Butcher has been a leading advocate for employee ownership. His team's initiatives have enabled more than 400 companies to establish broad-based employee ownership, benefitting more than a million employees by allowing them to share in the equity they help generate. Among his successes is DAI's award-winning global employee ownership program.

"Keith is a long-standing advisor to DAI whose financial expertise and commitment to inclusive ownership will be a terrific asset for the firm. I'm thrilled that he's bringing his considerable talents to our distinguished group of Managers."

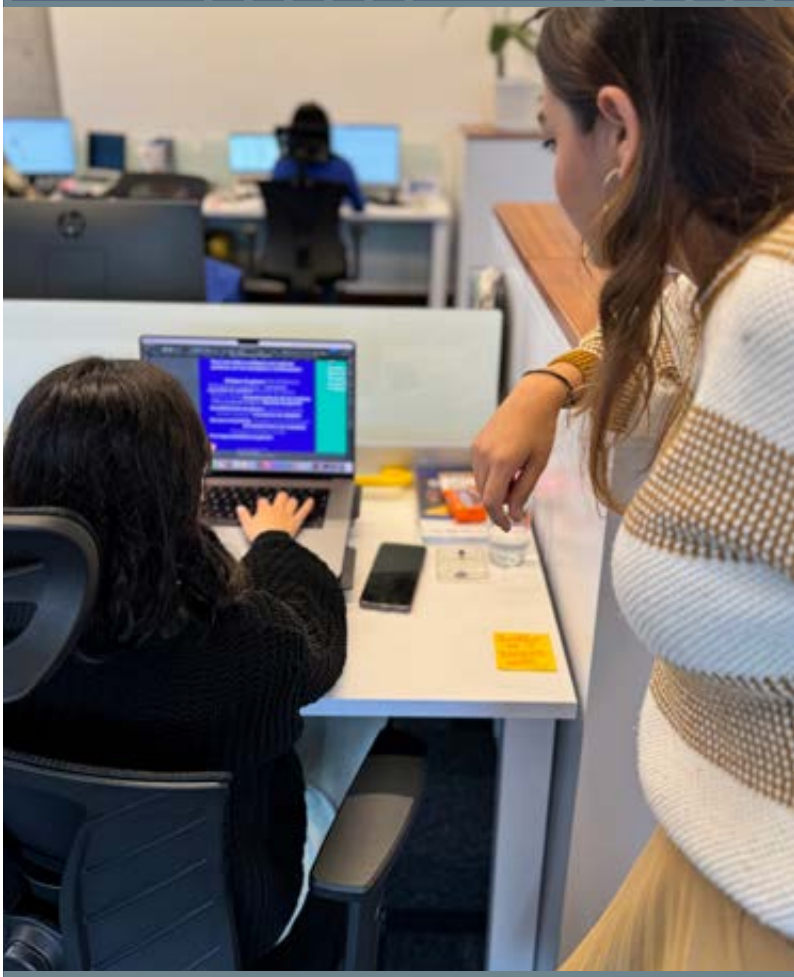
—DAI Board Chair Elizabeth Nelson

Business Ethics, Integrity, and Transparency

All our employees—including corporate, project, and contract staff—are bound by DAI's *Code of Business Conduct and Ethics* and are subject to our annual mandatory ethics training. Our *Code* includes a strong commitment to safeguarding, including a zero-tolerance policy for sexual harassment. We operate a dedicated "Speak Up" line for employees, partners, or others to raise concerns about staff, projects, or corporate behavior. We have a no-retaliation policy that applies to everyone who reports a concern.

In 2023, we received—from 54 countries—just less than 200 ethics concerns, inquiries, and reports regarding possible violations of our *Code*. We disclosed 45 cases to the relevant clients. Overall, 28 people were terminated for violations and $6,584 was identified for reimbursement to our clients.

We deal fairly with our partners, including requiring fair competition and procurement processes and exercising due diligence and vetting of staff and partners. All our partners are bound by our *Code* and subject to a thorough vetting process prior to engagement. One hundred percent of all reported misconduct is investigated and resolved.



Our company values are at the heart of our compliance, transparency, and ethics policies.

- **Integrity:** we have an uncompromising commitment to civility and ethical behavior. We play by the rules and do the right thing.
- **Responsibility:** we are accountable to our clients, our colleagues, and the communities where we work.
- **Excellence:** we demand of ourselves the highest technical and professional standards. We celebrate innovation, learning, and service.
- **Global Citizenship:** we are a global company with a global outlook. We depend on our diversity and inclusiveness, respect the cultures in which we work, and treat everyone, everywhere with professionalism and dignity.

Anticorruption

Our commitment to anticorruption is part of our *Code of Business Conduct and Ethics*. We uphold strong anti-bribery, fraud, and kickback policies that prohibit staff and partners from accepting gifts, bribes, or thank-you payments for services. All staff and partners are also bound by conflict-of-interest policies which require individuals to disclose board memberships, outside employment, financial interests, and so forth.

We abide by the highest standards of anti-bribery regulation and comply with the U.K. Anti-Bribery Act and the U.S. Foreign Corrupt Practices Act. Across our portfolio of more than 200 projects, we identified one instance of attempted bribery in 2023; that case was averted, meaning that no money was paid and therefore there was no financial impact on the project concerned. We also conduct third-party vetting of all our employees, vendors, and partners to ensure compliance with legal standards and procedures in each country in which we work.

Understanding and modelling sound anti-corruption and ethical practices is an essential complement to DAI's own work in the fields of democratic governance and anticorruption. To take just three examples of related projects that we launched in 2023:

- The **Promoting Integrity in the Public Sector Activity** in Ukraine addresses the root causes of corruption and tackles corruption risks at the national and subnational level relating to Ukraine's recovery and reconstruction.
- The **Global Accountability Program: Strengthening National Architectures to Counter Corruption** task order provides technical services to help partner countries prevent, detect, investigate, and build resilience to transnational corruption, grand corruption, and kleptocracy.
- The **Integrated Good Governance Activity** in the Democratic Republic of Congo seeks to improve the transparency and accountability of provincial and local government authorities in managing public financial resources—thereby making those resources more available for local development.

Implementing these and other projects like them not only demands that DAI model transparency and accountability in its own practices—it keeps us current with the latest debates around anticorruption and enables us to share learning between our external projects and internal ethics teams.

James Watson Named Chief Ethics and Integrity Officer

James Watson, DAI's former Vice President of U.S. Government Programs, was appointed in November 2023 as the company's Chief Ethics and Integrity Officer. James joined DAI after a distinguished 32-year career at USAID, including serving as one of the agency's Diplomats in Residence. He spent most of his career overseas, including stints in Eastern Europe, the Caucasus, Southern Africa, Central America, and the Caribbean.

In his new role, James will lead the expansion of DAI's ethics and safeguarding program, including advising DAI's projects and management teams worldwide. He will ensure all DAI stakeholders are empowered to raise ethics questions and concerns without fear of retaliation.

"Ethics and integrity are the common bonds that hold DAI together and reflect our shared commitment to do what is right. All staff are responsible for ethics and integrity, and our newly enlarged team will champion ethics, integrity, safeguarding, and compliance across the company—from projects to investments and from finances to field teams."

—James Watson,
Chief Ethics and Integrity Officer

Employee Ownership

DAI is wholly owned by its employees. As owners, we have a direct personal stake in the performance and ethical reputation of the firm, and our independent employee ownership allows us to prioritize our development mission. DAI's ownership model combines both the Employee Stock Ownership Plan, which was a vehicle for U.S. staff ownership, now closed, and the Global Employee Ownership (GEO) program, which is active and open to all corporate employees worldwide. Our model has been recognized on several occasions for its innovation and inclusivity.

1,000+ employee owners

Owners living in 40 countries

No owner may hold more than 10 percent of outstanding GEO shares

"Employee ownership is a direct reflection of DAI's commitment to global citizenship. It invites each of us at DAI to share in the highs—and the lows—of our collective pursuit of a more livable world."

—Anand Varghese, Senior Director, Center for Digital Acceleration

Investment

Our commitment to good governance extends to DAI Capital, our capital advisory, asset management, and project finance arm.

DAI Capital's asset management unit, **MicroVest**, which joined DAI in 2021, allocates private debt capital to responsible finance institutions that in turn serve unbanked and underbanked microentrepreneurs and small businesses in emerging markets. MicroVest refrains from lending to institutions that score poorly across its due diligence criteria, as these risks can impair the value of the investment and threaten the wellbeing of end borrowers.

DAI Magister, our capital advisory business, also screens client companies and their key stakeholders for sanctions and reputational risk issues ahead of engagement. All client onboarding decisions are made by a review committee and only companies that pose no ethical or reputational risk are taken on as clients.

DAI'S WORK AND THE SUSTAINABLE DEVELOPMENT GOALS

In the first section of this report, we laid out how DAI strives to operate as a sustainable business, presenting our activities through an environmental, social, and governance lens.

For our purpose-led development company, this ESG lens helps keep us true to the values and aspirations of our employee owners and most importantly to our mission of shaping a more livable world—which we define as a world in which communities and societies become more prosperous, fairer and better governed, safer, healthier, and environmentally more sustainable.

In the second and concluding part of this report, we offer selected highlights of how we are realizing this vision by advancing our clients' development objectives and achieving development results on projects around the world.

In this section, we follow the framework established by the United Nations Sustainable Development Goals; in 2023, we are proud to have made contributions across all the 17 SDGs.

Photo: USAID Colombia Responsive Governance.

1 NO POVERTY

LATIN AMERICA AND ASIA

BRINGING FINANCIAL SERVICES TO UNDERSERVED MSMES

Almost a quarter of the world's population (approximately 1.4 billion people) **lacks access to basic financial services**. At the same time, micro, small, and medium-sized enterprises (MSMEs)—enterprises that account for roughly 90 percent of businesses worldwide and generate more than half of the world's employment—are facing a **$4.8 trillion funding gap**. Improving access to financing for MSMEs addresses poverty by expanding economic opportunities and fostering economic development, both of which improve financial security for families and individuals.

MicroVest, which joined DAI in 2021, has been supporting financial inclusion for underserved small businesses in emerging markets since its founding in 2003. By allocating private debt to responsible financial institutions that ethically and transparently provide productive loans to underserved MSMEs, MicroVest is helping to deepen financial sector development, fuel productivity and local economic growth, promote gender equality through financial inclusion, and reduce poverty. As business needs are financed and productivity rises, MSMEs contribute more valuable goods, services, and jobs to the local economy. When the underbanked become financially included, they are better equipped to manage day-to-day finances, build financial resilience, and knowledgeably use financial products and services to pursue their goals.

Today, MicroVest is part of the asset management division in DAI's investment and advisory arm, DAI Capital. As a pioneer of U.S.-based microfinance investing, MicroVest has disbursed more than $1.6 billion to 200 financial institutions in more than 60 countries.

IMPACT

Pictured are MicroVest portfolio company Jardin Azuayo client (center in yellow apron) Dona Ceci, with MicroVest employees and Jardin Azuayo officers. Photo: MicroVest.

43,000

FULL-TIME STAFF EMPLOYED by MicroVest's portfolio of MSME financial institutions

51%

of those MSMEs female-owned or operated

$55 Million

DISBURSED in 2023 to MSME financial institutions in Latin America and Asia

10 Million

MSMES FINANCED through MicroVest's portfolio companies in 2023

2.4 Million

DEPOSITORS

UGANDA

BOLSTERING FARMER RESILIENCE

Poor soil and land degradation in many parts of Uganda have hampered community farming systems, weakened rural households, and increased hunger. The onset, duration, and intensity of rains vary considerably from year to year, while more frequent extreme weather events such as floods and droughts, and crop pests such as fall armyworms, have hurt the economy and food production.

Karamoja—one of Uganda's least developed regions—is considered a focal point for USAID's Feed the Future **Inclusive Agricultural Markets** project. Farmers are struggling to cope with climate change-related weather impacts and crop-destroying insects. Agro-input suppliers and manufacturers struggle to serve the region due to high investment costs, low demand, and poor infrastructure, which in turn constrains small farmers' access to high-quality nutritious seeds, climate-smart technologies, agro-processing, and financial services.

Our team partners with agro providers and other private sector actors to build networks of village agents who reach out to farmers, help them access services, and broker business relationships between farmers and buyers. The agent links farmers and businesses (suppliers and buyers) and offers extension services to ensure a good crop yield. Demonstration gardens and radio talk shows provide instruction in the safe use of agrochemicals, post-harvest handling, and integrated pest management—all boosting yields. Sixty percent of those benefitting from the activities are women and 40 percent are young people.

IMPACT

4,270

FARMERS in Karamoja now access high-quality seeds, fertilizer, and animal feed

20%

INCREASE IN INCOME for participating households

1,753

FARMERS harvested 1.13 million kilograms (kg) of sunflower seeds and 88,200 kg of soybeans

1,400 KG

OF SOY SEEDS

3,332 KG

OF HIGH-QUALITY SUNFLOWER SEED

distributed to farmers from the Uganda Oil Seed Producers and Processors Association

Photo: Feed the Future Inclusive Agricultural Markets.

IMPACT

$71,000

WORTH OF AGRICULTURAL INSURANCE issued with the bean varieties to mitigate climate risks

22.98 Tons

OF CERTIFIED BEAN varieties sold to farmers

$705,351

EARNED BY THE FARMERS through produce sales

8 PRODUCER ORGANIZATIONS AND 8 PRIVATE FARMS and agribusinesses multiplied their certified iron-rich, climate-resilient bean seeds.

Photo: Feed the Future Inclusive Agricultural Markets.

Photo: USAID Ukraine Economic Resilience Activity.

UKRAINE

KEEPING THE TRAINS AND GRAINS MOVING IN UKRAINE

Ukraine is traditionally one of the world's top suppliers of wheat, corn, and sunflower oil. Russia's blockade of Ukraine's Black Sea ports, early in the ongoing conflict, halted exports for months, spurring a global food security crisis. In July 2022, a Barron's economist estimated that Russia's war on Ukraine had led to a 17 percent increase in food prices.

The **USAID Economic Resilience Activity** (ERA) is working to increase Ukrainian agricultural exports and alleviate the food security crisis exacerbated by the war. ERA partners with public organizations and private companies to complement and leverage urgently needed grain transportation and transshipment investments. ERA assistance is improving railways and trains, using creative grain storage and transport mechanisms, and increasing border crossing efficiency.

As of January 2024, ERA had delivered 50 grain wagons, 2 temporary grain warehouses, 1,050 mega big bags, 23 telescopic handlers, 2 tractors, 2 mini front loaders, 2 front wheel loaders, 2 mobile grain transshipment units, 3 shipping container loaders, 13 truck scales, 2 wagon scales, 27 generators, 18 grain trailers, and grain testing laboratory equipment and consumables. ERA partner companies exported roughly 8.8 million metric tons of agricultural exports, worth $2.3 billion. ERA's investments are projected to increase Ukraine's grain export capacity by more than 4 million tons annually, bringing much-needed grain to the global market.

NIGERIA

EMPOWERING TEENS TO MAKE POSITIVE HEALTH CHOICES

In Nigeria, nearly one-third of adolescents face an unintended pregnancy and close to one in five children are born to teen parents. Contraception and other sexual health services can be difficult to access due to prevailing attitudes at health centers, confidentially concerns, and cost.

Especially marginalized are adolescents who are not enrolled in school and who come from underprivileged backgrounds. The **USAID Youth-Powered Ecosystem to Advance Urban Adolescent Health** (YPE4AH) project aims to improve the health of out-of-school teenagers by increasing access to voluntary family planning and situating these services within the broader context of youth empowerment. Active in Lagos and Kano states, YPE4AH supports Youth Hubs, life skills programming, and leadership training for young people. In the past fiscal year alone, the project provided family planning services to more than 25,000 teenagers. The range of family planning methods they adopted shows that young people are thinking positively about their futures and taking steps toward long-term goals.

In 2023, YPE4AH expanded its outreach to include indirect beneficiaries such as parents, caregivers, and community leaders. Youth Hubs held parental engagement sessions to bridge intergenerational gaps in family planning and reproductive health conversations. “I have been inspired again towards ensuring my children have a good life and make the right choices in life,” said one mother. “I have been able to encourage my five daughters to be mindful of the relationships they enter.”

IMPACT

529

REFERRALS MADE
for substance abuse, mental health, and other services

25,012

TEENAGERS provided with family planning services

27,267

ADOLESCENTS reached with life skills and health programming

67

HEALTH WORKERS
trained to provide youth-friendly services

16.8 Million

INDIVIDUALS REACHED
with key messaging though social media

8,889

INDIRECT BENEFICIARIES
such as parents and community leaders engaged

56

YOUNG PEOPLE WITH DISABILITIES SUPPORTED
by integrating sign language and subtitles into activities

Photo: USAID Nigeria YPE4AH.

WORLDWIDE

GUIDING, INFORMING, AND SUPPORTING NUTRITION PROGRAMMING

According to the 2021 *Global Nutrition Report*, 149.2 million children under the age of five are stunted due to chronic undernutrition, 45.4 million are wasted (a form of acute malnutrition), and more than 40 percent of all men and women (2.2 billion people) are overweight or obese.

The **Technical Assistance to Strengthen Capabilities** (TASC) Project, which concluded in 2023, worked to improve nutritional outcomes. Our partners were **NutritionWorks** and **Development Initiatives**.

TASC provided demand-driven technical assistance services. First, it supported governments in the **Scaling Up Nutrition (SUN) Movement** to amplify the impact of nutrition initiatives. TASC responded to 17 requests from the SUN Movement/ FCDO to enhance their nutrition policies and plans, generate evidence, foster lesson learning, and develop nutrition capacity. Second, TASC supported the FCDO Nutrition Policy Unit, responding to 27 requests to generate evidence, facilitate lesson learning, and build capacity.

The FCDO stated that TASC contributed to supporting its objectives of strengthening the governance of SUN at the global and country levels, supporting nutrition policy, planning, and advocacy in partner countries, and improving the quality, transparency, and accountability of FCDO programming.

4 GUIDANCE NOTES developed on how to improve nutrition programming and policies.

4 CASE STUDIES PUBLISHED on coordination, digital solutions, information systems, and nutrition-sensitive interventions, sharing good practices in areas key to fighting malnutrition.

PROGRESS SUMMARIZED along the nutrition maturity pathway for Madagascar, Somalia, and Yemen.

JOINT ANNUAL ASSESSMENT TOOL DEVELOPED and revised for SUN countries to reflect on progress, bottlenecks, and priorities.

KOSOVO

SUPPORT FOR BASIC AND UPPER SECONDARY EDUCATION

In recent decades, Kosovo's education system has undergone substantial reforms, which are central to the country's efforts to achieve European integration. To ensure that these reforms are optimally implemented, DAI is spearheading the **Support to Improve the Quality of Pre-University Education** project. The project seeks to elevate educational standards and strengthen the implementation of a merit-based, non-discriminatory, gender-equal, and transparent recruitment system for teachers and principals, and enhance their professional development.

High-quality textbooks are foundational to teaching and learning. We supported the Ministry of Education and Science in developing a new draft law on textbooks, which strengthens the textbook development and selection process. To address the shortage of high-quality school textbooks in Kosovo, the project conducted training on the textbook review process and produced reports that will help publishers enhance existing materials.

We also introduced peer-led school evaluation as a training tool to upgrade quality assurance practices in the school system. Forty-one schools, constituting 6 percent of primary and secondary schools in Kosovo, have completed an internal evaluation. And more than 370 school personnel participated in peer-led and internal evaluation assessments.

Finally, DAI facilitated publication of the *School-Based Teacher Professional Development Toolkit and Guide*, a comprehensive resource providing insights and knowledge on educational issues such as responsive teaching, individualized learning, and self-regulated learning.

IMPACT

NEW LAW on textbooks for pre-university education drafted

SCHOOL-BASED TEACHER Professional Development Toolkit and Guide published

DATA ATLAS on student-teacher ratios developed for the first time

26

TEXTBOOK REVIEWERS
have undergone a certified capacity building program for textbook reviewers

224

EDUCATION PROFESSIONALS
completed peer-led evaluation and capacity-building program

41

SCHOOLS
completed an internal evaluation and peer-led evaluation and capacity-building process

150

SCHOOL STAFF
took part in an internal evaluation process

Photo: EU Support to Improve the Quality of Pre-University Education.

5 GENDER EQUALITY

AFGHANISTAN

SUPPORTING WOMEN-LED BUSINESSES

According to the United Nations, Afghanistan is one of the world's most repressive countries for women. Since the Taliban's return to power in August 2021, women and girls have been denied their fundamental rights, including their right to work. Despite these restrictions, USAID's **Afghanistan Competitiveness of Export-Oriented Businesses Activity** (ACEBA) and the **Afghanistan Value Chains Program** (AVCP) have found ways to include women in their efforts to promote economic growth.

ACEBA, for example, offers an apprenticeship program that enables women and youth to acquire marketable skills and assets to help them develop a sustainable livelihood. By the end of 2023, the program had upskilled more than 24,000 Afghans—78 percent of them women. In addition to helping Afghans add new skills, the project offers zero-interest capital advances to businesses, including women-led firms, to develop their companies. AVCP works to build the capacity of livestock and crop businesses, and the activity has supported many women-led enterprises while training thousands of women on food security and agricultural productivity.

On October 15, 2023, the two projects jointly held a Private Sector Roundtable for women in Kabul—the first time businesswomen had come together formally since the Taliban takeover. Thirty-three representatives from sectors including carpets, handicrafts, health, food production, agriculture, and even the banking sector attended. Their discussions of the challenges they face—and the potential solutions at hand—generated insights and sparked collaboration among private sector actors that will be of enduring value as we work to enhance Afghanistan's business environment and make it possible for women, as well as men, to envisage a better economic future for themselves and their families.

IMPACT

ACEBA

3,895

WOMEN TRAINED
in carpet weaving or finishing, wool spinning, or saffron food safety

19,131

WOMEN UPSKILLED
across 59 districts and in 22 provinces

44,000

INDIVIDUALS AFFORDED
direct livelihood opportunities, 84 percent of them women

AVCP

74

WOMEN-RUN
agribusinesses supported

2,573

FULL-TIME JOBS
for women created

5,172

WOMEN TRAINED
in agricultural productivity or food security

Photos: USAID Afganistan AVCP.

PHILIPPINES

WATER: A BLESSING AND A CHALLENGE

Growing populations, unsustainable land use, and deficient wastewater services are major water security challenges in the Philippines. As the sprawling island nation finds itself on the front lines of climate change, the **USAID Safe Water** activity works with local government units, water service providers, and watershed councils in partner provinces, offering information, incentives, and partnerships to address barriers to a water-secure future—yielding life-saving gains in access to water supply and sanitation services for unserved and underserved households in the most water-stressed communities.

By applying a systems approach that strengthens linkages between upstream and downstream stakeholders in the Negros Occidental and Sarangani and Palawan Provinces, Safe Water works to increase access to resilient water supply and sanitation services, improve sustainable management of water resources, and strengthen water sector governance.

The activity has helped develop two provincial water security plans and had its water planning framework adopted by the national government. A three-year partnership with the Coca-Cola Foundation and the Negros Economic Development Foundation, designed to protect the watershed in Negros Occidental, is now underway. To build long-term capacity, the activity has co-created a professional course on water governance with the University of the Philippines.

IMPACT

377,300

PEOPLE NOW HAVE ACCESS to safe water supply and household sanitation services

$18.2 Million

MOBILIZED to support sustainable landscapes

193,000

PEOPLE—63 percent of the population in Puerto Princesa City—now receive 24/7 water supply

$73.7 Million

MOBILIZED for water supply and sanitation projects

1,738

INFILTRATION WELLS established to capture surface runoff and recharge groundwater

Photo: USAID Philippines Safe Water.

7 AFFORDABLE AND CLEAN ENERGY

LEBANON

IMPROVING ENERGY EFFICIENCY AND SUSTAINABILTY FOR ECONOMIC GROWTH

USAID's **Trade and Investment Facilitation** (TIF) activity boosts exports of Lebanese goods and services, facilitates investment in Lebanese enterprises, and improves the business and investment enabling environment in Lebanon. Among the many challenges Lebanon's businesses face is the country's prolonged energy crisis. A lack of continuous, reliable power and the high cost of fuel hinder business operations and a lack of access to commercial loans makes it difficult for business owners to finance solutions. Businesses have had to resort to consuming expensive diesel power from unregulated suppliers, prompting an additional environmental crisis.

TIF is responding to Lebanon's energy struggles through multiple avenues. Working with the Michel Daher Foundation, TIF has helped 17 industrial facilities in the Bekaa Valley complete energy audits to maximize efficiency. One company, Top Pack One, reduced production costs by $2.8 million, cut greenhouse gas emissions by 4,900 metric tons, and created and sustained 150 jobs. In addition, under TIF's Lebanon Environmental, Social, and Governance Stewardship Program—a partnership with Kapital Concept—TIF supported more than 100 companies to align their practices with global environmental standards, making them more competitive and attractive as a destination for investment.

In March 2023, USAID launched the TIF-designed Solar and Renewable Energy Fund. The $20 million fund finances commercial and industrial solar panel installations and supports Lebanese businesses to transition from diesel power generation to clean, renewable energy—lowering operational costs, creating jobs, and reducing emissions. To date, TIF's clean energy activities have reduced greenhouse gas emissions by more than 16,570 metric tons of carbon dioxide equivalent.

IMPACT

11,900 JOBS CREATED OR SUSTAINED

100+

COMPANIES ALIGNED THEIR PRACTICES
with global environmental standards

16,570

METRIC TONS in reduced greenhouse gas emissions

4,200+

BUSINESSES
increased revenue

17

FACILITIES COMPLETED
energy audits

$20 Million

in potential financing for solar installations

$8.5 Million

in decreased production costs

Photo: Charbel El Kosseifi.

WORLDWIDE

MOBILIZING CLEAN ENERGY INVESTMENTS

The **USAID INVEST** project is designed to mobilize capital for development, working through a network of 600 private sector partners that operate in 195 countries. While INVEST addresses challenges in a range of sectors, as of December 2023 the initiative had mobilized $247.9 million in clean energy-related efforts—close to 18 percent of the $1.4 billion it has mobilized in total—and closed 23 transactions in clean energy, including 14 with clean energy companies and 8 with funds that invest in clean energy. Some examples:

In **Nigeria**, INVEST is working to scale pension fund investment in infrastructure, including mobilizing $200 million into renewable energy.

Through INVEST and other partners, USAID designed and launched a blended finance mechanism to finance the development of solar mini-grid and productivity hubs in conflict-affected areas of rural **Colombia**.

In **Haiti,** INVEST is working with transaction advisors to mobilize private capital for small firms. In one case, INVEST partner CrossBoundary supported the Haitian renewable energy firm Solengy in raising $1.5 million in debt financing to develop its off-grid leasing portfolio for the commercial and industrial segment.

INVEST helped structure and launch a new blended finance climate resilience fund in the Caribbean Community in partnership with the Caribbean Development Fund.

IMPACT

14

CLEAN ENERGY
companies funded

23

TRANSACTIONS
closed in clean energy

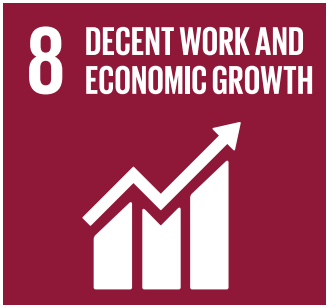
$248 Million

MOBILIZED for clean energy through December 2023

$1.4 Billion

MOBILIZED
in total for development

Photo: USAID Lebanon Water, Sanitation, and Conservation.



PALESTINE

GROWING GOOD JOBS AND BUSINESSES IN DIFFICULT TIMES

Good jobs and economic opportunities are vital for Palestine. But restrictions on goods and movement, an unstable political environment, and limited local control of resources have challenged businesses and deterred investment. DAI leads four projects that foster economic growth in Palestine, from facilitating funding for small businesses to expanding the IT and digital sectors. The October 2023 war, however, has paralyzed all aspects of life in the Gaza Strip, including these projects. DAI continues to support project staff in Gaza and is committed to Gaza's long-term recovery. Project activities continue in the West Bank and East Jerusalem where possible.

Prior to this crisis, the projects had seen positive results. The USAID **Small and Medium Enterprise Assistance for Recovery and Transition** (SMART) project supports small firms and startups, originally to rebuild after COVID-19. In its first two years, SMART's engagement with 296 businesses and organizations mobilized $25 million and created 448 jobs.

DAI also implements three World Bank projects. **Finance for Jobs** (F4J) launched the Palestinian Employment Development Bond (DIB) to leverage private capital and address unemployment. By the end of 2023, with the DIB totaling $6.25 million, 1,374 young people had been accepted into a skills development program, 1,000 had completed training, and 600 had started work.

The **TechStart** and **Innovative Private Sector Development** (IPSD) projects support the IT and digital sectors. TechStart has provided hundreds of high-tech training opportunities since its launch (nearly half to women), while IPSD—focused on the entrepreneurship ecosystem—has helped four cohorts of startups win investors and assisted dozens of companies to participate in regional tech conferences.

IMPACT

SMART

19%

INCREASE IN EXPORTS

SMART

$25 Million

MOBILIZED

SMART

296

ENTERPRISES, organizations, and institutions engaged

SMART

350

SIGNED GRANTS made to 291 firms

SMART

18%

INCREASE IN FIRM SALES

SMART

448

NEW JOBS CREATED

Photo: USAID Palestine SMART.

IMPACT

IPSD

56

PRIVATE INVESTMENT GRANTS SIGNED

IPSD

28

CO-INVESTMENT GRANTS SIGNED,
totaling $8.1 million in matched investment

F4J

50

STARTUPS
supported through $8.44 million private capital mobilization (Entrepreneurship Ecosystem Matching Grant)

IPSD

2,645

FIRMS REGISTERED
in online registration system

F4J

1,750

JOBS CREATED
(350 held by women)

TECHSTART

531

IT JOBS CREATED

Photo: World Bank F4J.

TÜRKIYE

SAFEGUARDING THE WORKPLACE

Improving occupational health and safety in Türkiye is crucial for protecting workers' well-being, reducing workplace accidents, and enhancing the productivity of the labor force.

Between 2020 and 2023, DAI worked to build the capacity of Türkiye's pre-eminent occupational health and safety institution, the Centre for Labour and Social Training and Research (ÇASGEM).

In this, the second phase of our EU-funded work with the Centre, we developed a performance system for ÇASGEM and introduced new learning modules for ÇASGEM staff, medical personnel, and rehabilitation experts, enabling them to better address safety and security requirements in the workplace.

Our specialists conducted 85 training sessions, reaching 1,961 participants, and created 20 virtual reality scenarios and videos across 4 industrial sectors.

To instill a safety-conscious culture from an early age, we developed an educational book series, provided safety training for children and young people, and even came up with a board game encouraging students to embrace a safety culture, delivered to schools across the country.

CENTRAL ASIA

STRENGTHENING THE PRIVATE SECTOR

Kyrgyzstan and Tajikistan continue to face challenges in their transition to a more market-oriented economy. The remnants of past ideological regimes have hindered the development of a strong private sector and the legal frameworks necessary for sustainable growth. High poverty rates underscore the need for support to vulnerable populations.

Between 2019 and its close in 2023, the FCDO's **Enterprise and Innovation Program** (EIP) offered targeted assistance to micro, small, and medium enterprises (MSMEs), with the aim of fostering an enabling environment conducive to job creation and poverty reduction in the two countries. Specifically, EIP established four Business Innovation Centers (branded as PEAK centers) that deliver business support programs to build entrepreneurial capacity, strengthen access to finance through company-investor linkages, and improve the local business advisory infrastructure.

EIP focused on businesses led by young people, women, or returning migrants, and the project has left a sustainable legacy. Business advisory support providers upskilled by the project are already providing enhanced services to the pool of clients they built up during project implementation. Staff from the Kyrgyzstan PEAK center also struck out on their own once the project ended and have successfully delivered on three contracts with clients, including the United Nations Development Programme.

IMPACT

4

PEAK CENTERS opened

291

MSMES BENEFITTING from business improvements or new products and services

74%

REVENUE GROWTH AMONG PARTNER STARTUPS

51%

GROWTH AMONG PARTNER MSMES

666

GRADUATE STARTUPS AND MSMES TRAINED

40

ACCELERATOR PROGRAMS DELIVERED

5,397

JOBS CREATED OR SUSTAINED

Photo: FCDO EIP.

REGIONAL

ENSURING THE RESILIENCE OF CRITICAL INFRASTRUCTURE

Access to information and communications technology is a vital part of the UN's goal to expand resilient, inclusive infrastructure. But the networks that sustain this infrastructure are liable to cyberattacks that can disrupt entire countries. In recent years, nations in the Western Balkans, Black Sea region, and South Caucasus have faced such attacks.

USAID's **Critical Infrastructure Digitalization and Resilience** (CIDR) program assists six of these countries—Albania, Georgia, Kosovo, Moldova, North Macedonia, and Serbia—to ensure critical infrastructure is well-defended, resilient, and able to provide citizens with essential services.

- In North Macedonia, for example, CIDR helped kickstart the country's digital transformation, including technical assistance to create its National Cybersecurity Strategy and Action Plan.
- In Albania, the project worked with the Albania National Agency of Information Society (AKSHI) to improve security for the e-Albania Platform, a portal that affords citizens and businesses access to online government services.
- In Moldova, CIDR helped launch the country's National Cyber Agency and informed its National Security Strategy, including mechanisms for countering cyber threats and developing human capital.
- More than 60 institutional stakeholders have signed on to implement cyber workforce development for women and girls.
- The e-Albania platform now has 1,225 secure online government services.

10 REDUCED INEQUALITIES

COLOMBIA

REDUCING INEQUITIES AND SUPPORTING PEACE

The USAID **Responsive Governance Activity** (RG) works to bridge the governance gap between the "two Colombias"—especially the divide between large cities and conflict-affected, rural municipalities—while reducing social inequities and helping to forge a Colombia that is conducive to peace.

By promoting government accountability, enabling greater citizen participation, and building trust between citizens and state, RG seeks to promote more effective governance, improve local service delivery, and support implementation of the Peace Accords. Too often, marginalized populations living in rural, conflict-affected municipalities are left out of civic engagement. RG addresses such exclusion by ensuring that groups including women, youth, people living with disabilities, ethnic monitories—such as Indigenous communities and Afro-Colombians—and LGBTQI+ people have a real opportunity to engage in local and national public policy. Working with local governments and civil society organizations, RG provides technical assistance to tackle issues in rural areas such as mental health, disability, the gender gap, and access to education.

Over the past year, for example, RG has partnered with Fundación Afrocolombiana Arco Iris to improve access to and quality of healthcare for LGTBQI+ communities, ensuring hundreds of LGBTQI+ people can access the services they need. On a national level, RG supports Colombia's Vice President's Office in its work to reduce inequalities among Indigenous and Afro-Colombian communities, and implement a new policy around disability inclusion.

IMPACT

279

WOMEN LEADERS
engaged in peace issues

22

COMMUNITIES TRAINED IN PLANNING AND FINANCE MANAGEMENT:

- 12 Afro-Colombian community councils
- 10 Indigenous communities

500

LGBTQI+ PEOPLE
afforded access to health services

142

CIVIL SOCIETY ORGANIZATIONS
assisted on issues of inclusion and accountability

$70 Million

MOBILIZED for social investment in focus areas, potentially benefiting 2.5 million people

400

YOUTH SUPPORTED
to influence public policies

Photo: USAID Colombia RG.

ETHIOPIA

ETHIOPIAN WOMEN GAIN ACCESS TO CREDIT

The European Investment Bank (EIB)-funded **Technical Assistance Programme to Support Lending Operations to the Women's Entrepreneurship Development Project** (WEDP) works to increase the provision of loans to women entrepreneurs in Ethiopia by building the capacity of participating finance institutions (PFIs) and the Development Bank of Ethiopia (DBE) to deploy WEDP funds to women entrepreneurs.

To expand access to finance, DAI designed and introduced a tailored loan product that meets women entrepreneurs' needs and helped PFIs implement new collateral options such as those based on personal guarantees or vehicles as security. Through its technical assistance program with the EIB, DAI has trained and mentored 725 staff in 16 PFIs on topics such as consumer protection, cash flow-based lending, and risk management.

This capacity-building effort enabled WEDP funding to reach 12 new cities, disbursing more than 10.5 billion Ethiopian Birr (€172 million) to 25,000 women entrepreneurs, 67 percent of whom were customers new to the PFI and able to access finance from the financial institution for the first time.

TÜRKIYE

SMART MOBILITY FOR A MORE SUSTAINABLE ANKARA

Ankara is the second-largest city in Türkiye, its population expected to reach 10 million by 2030. The city has experienced rapid urbanization, which has resulted in higher car ownership, growing transport problems, and environmental challenges.

In 2020, the European Commission presented its Sustainable and Smart Mobility Strategy, laying out how the EU transport system can cut emissions 90 percent by 2050 through the delivery of a smart, competitive, safe, accessible, and affordable transport system. The EU **Smart Ankara** project is assisting the city to develop a Sustainable Urban Mobility Plan and a smart bike system in line with these EU standards, enabling it to rely less on fossil fuels and improve daily life for residents and visitors alike. Emphasizing the shift from individual transportation to sustainable, accessible, and widespread public transit, the project plays a pivotal role in enhancing Ankara's mobility planning.

For example, Smart Ankara works with the Municipal Transport Company, EGO, to equip its staff with the knowledge and skills to plan for more sustainable and inclusive public transport. The project has established a mobility hub and a dedicated bicycle track, training hundreds of students in safe e-bicycle handling. A comprehensive survey of citizens' transport habits is providing fresh insights—especially from pedestrians and cyclists—to inform Ankara's Urban Mobility Plan.

IMPACT

MOBILITY HUB
and bicycle track established

480

BUSES EQUIPPED WITH BICYCLE RACKS, promoting ecofriendly transportation

350

STUDENTS TRAINED
on the safe operation of e-bicycles

6

AGILITY COURSES
constructed

SURVEY LAUNCHED
to understand the transport habits of Ankara's citizens

Photo: EU Smart Ankara.

SOUTHERN MEDITERRANEAN

CLIMATE ACTION PLANNING

Facing escalating climate threats, the South Mediterranean region is particularly vulnerable to rising temperatures and environmental degradation. Local governments charged with responding to these threats grapple with common obstacles such as insufficient technical expertise in climate issues, limited financial and human resources, and a lack of climate-specific monitoring mechanisms.

The EU **Acting for Climate in South Mediterranean** (ClimaMed) project is empowering cities in the South Mediterranean to craft Sustainable Energy Access and Climate Action Plans (SEACAPs) that align a city's climate action objectives with the Nationally Determined Contribution targets committed to under the Paris Agreement.

Clima-Med has engaged 97 local authorities from 7 South Mediterranean countries, benefiting 8.7 million people across nearly 270,000 square kilometers; 71 municipal teams have crafted their SEACAPs through training workshops and expert guidance; and an additional 389 local authorities have expressed a desire to join and prepare their SEACAPs. The project also extends its support through the EU's **Covenant of Mayors for the Mediterranean**, which guides cities in collaboratively addressing climate challenges and promoting sustainable development.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

PAKISTAN

RISING TO THE GREEN SHIPPING CHALLENGE

In Pakistan, sustainable resource use and effective waste management are pressing challenges. Even as 43 percent of the population remains food insecure, some 36 million tons of food goes to waste every year. At the same time, Pakistan generates 49.6 million tons of solid waste annually—a figure growing by 2.4 percent each year—while renewable sources comprise only 7 percent of Pakistan's energy mix.

In response, Pakistan has developed a cross-sectoral National Action Plan on Sustainable Consumption and Production. Central to that plan is reform in the maritime shipping sector, which globally accounts for almost 3 percent of greenhouse gas emissions. USAID's **Pakistan Regional Economic Integration Activity** (PREIA)—which works to improve Pakistan's trade and transit competitiveness—is focused on this issue, assisting the national government and private sector stakeholders to align Pakistan's shipping operations with the Paris Agreement.

PREIA's landmark study on *International and Domestic Regulations for Green Shipping Operations in Pakistan* offered a comprehensive review of key international conventions related to green shipping and analyzed Pakistan's degree of compliance with domestic, regional, and international standards regarding marine and air pollutants from shipping. The study identified various measures—including steps to reduce emissions, manage ballast water, and ensure safe ship recycling—that will steer Pakistan's shipping operations toward international climate and sustainability norms while improving trade competitiveness and enhancing sustainability.

Extensive consultations with government officials, port and terminal operators, shipping lines, logistics companies, and other stakeholders indicate a widespread willingness to adopt the principles of green shipping.

AFRICA AND SOUTH ASIA

INVESTING IN CLIMATE ACTION

A key objective of the Paris Agreement is mobilizing financial resources to encourage climate-resilient development and reduce greenhouse gas emissions. Since 2021, DAI has been implementing British International Investment's flagship **Financial Services Group Plus (FSG Plus) Technical Assistance Facility**, which works with African and South Asian financial institutions to catalyze investment in low-carbon, climate-resilient projects.

FSG Plus's goal is to align with the Paris Agreement's Climate Change Action Plan 2021–2025. Its technical assistance enhances the climate finance capacity of banks focused on providing financing to small and medium-sized enterprises, and helping the banks develop green financial products and green bonds. For example:

FSG Plus is assisting a microfinance institution with branches in Côte d'Ivoire, Ghana, and Tunisia to develop climate-resilient lending strategies, create a climate risk assessment tool, run climate risk awareness campaigns, develop credit risk management policy, revise agricultural lending policy, introduce monitoring tools for meteorological indicators, and launch a flash flood loan product.

In Bangladesh, FSG Plus is supporting a commercial bank to develop a green loan checklist to ensure compliance with multilateral development banks' criteria and local systems. This assistance has resulted in an extra $15.3 million in climate finance. A similar approach is being replicated with a commercial bank in Zambia.

And in the Democratic Republic of the Congo, FSG Plus is supporting financial institutions to build capacity and expand finance to the agriculture sector, focusing on climate-smart farming and gender lens investment.

Assisting Negotiators from Climate-Vulnerable Countries

Often, those countries most vulnerable to climate change are also those that have historically contributed the least to global emissions and have fewer resources to mitigate against the devasting impact that climate change has on their communities. These same countries also often have less influencing power in international climate negotiations.

The **Climate Ambition Support Alliance 2** (CASA2) program addresses this disparity by creating a fairer, more inclusive negotiation process that enables the meaningful participation of negotiators from climate-vulnerable countries. In 2023, CASA2 provided more than 400 people from 38 climate-vulnerable countries with either training or advice and support to increase their knowledge on UNFCCC negotiations.

Photo: USAID Indonesia APIK.

MOZAMBIQUE

PROTECTING MARINE DIVERSITY BY CO-MANAGING FISHERIES

Since 2010, USAID's **Supporting the Policy Environment for Economic Development** (SPEED) project has helped Mozambique lead reforms to develop a favorable business environment. Now in its third phase, SPEED III, the project is advancing reforms to support the conservation of biodiversity.

Mozambique is home to one of the world's most diverse collections of marine life. At the same time, its 1,500-mile coastline provides millions of people with food and income. According to Rare, a SPEED grantee, 85 percent of Mozambique's fish take is caught by small-scall fishers, whose livelihoods and nutrition depend on this precious resource.

But overfishing and ecosystem damage are reducing fish populations. To protect and manage these important ecosystems—and the local economies they support—SPEED is working through grants to civil society organizations. A key goal is decentralizing co-management of Mozambique's coastal marine resources, which is a global best practice. In 2023, activities included:

- *Promoting sustainable, inclusive management of fisheries*. Rare led workshops for community fishing council members on inclusive management of marine reserves, including the benefits of "no-take" zones. Council members agreed to co-manage three proposed reserves. Rare also initiated a "Pride Campaign" to coordinate community support for coastal protection, attracting 200 participants.

- *Equipping communities to co-manage conservation.* Another NGO grantee, Coordinamento delle Organizzazioni per il Servizio Volontario (COSV), established an Environmental Association in Zambezia province. The association—fisherfolk, fish vendors, community leaders, and local academics—will support resource co-management, including a Community Coastal Sanctuary.

- *Increasing data-driven planning for biodiversity protection.* SPEED III funded the Wildlife Conservation Society to assess Mozambique's coral reef ecosystem and draft a conservation framework that identifies 19 crucial hotspots. At the local level, Rare trained 16 fish buyers to use OurFish, an application that allows buyers to self-report the fish species, sizes, quantities, and costs of fish purchased from community members—data that will inform fishery management decisions.

- *Ensuring women's participation in natural resource management.* Because many Community Fisheries Councils are male-dominated, Rare designed a training program on digital skills and public speaking to facilitate women's participation in this work. Twenty-four women from six councils completed the training. In subsequent elections, the Nhagondzo council's female leadership rose from 0 to 13 percent; in the Tsondzo council, it increased from 10 to 25 percent.

Photo: USAID Mozambique SPEED.

GLOBAL

R&D TO BUILD CLIMATE RESILIENCE AND SUPPORT LIVELIHOODS

It is widely accepted that biodiversity, climate, and livelihoods are intertwined. But when it comes to the proposition that conserving biodiversity and sustainable land use can both deliver climate benefits—adaptation and mitigation—and improve community-level prosperity, there are still gaps in our empirical understanding. If we are to justify and guide investment in such initiatives, we need empirical evidence regarding the root causes of biodiversity loss, climate change, and poverty, including a better grasp of the relationship between economic growth and nature loss.

Funded by the U.K. Department for Environment, Food, and Rural Affairs (Defra), the **Global Centre on Biodiversity for Climate** (GCBC) is a research and development program that addresses this evidence gap. It aims to build up relevant knowledge, practices, and evidence through regular research grant competitions, thereby funding research projects that illuminate the potential of nature to improve livelihoods and deliver climate resilience.

The GCBC partners with scientists, academics, and research institutions worldwide to discover innovative and scalable approaches to the conservation and sustainable use of biodiversity that enhance climate resilience while improving the livelihoods of the poor. The goal is to inspire and justify widespread adoption of policies, practices, and investment strategies by demonstrating how systems thinking and solution-oriented approaches can benefit both society and the planet.

IMPACT

155

APPLICANTS TO DATE

13

RESEARCH PROJECTS FUNDED

Research Grant Competition launched in February 2024

Photo: USAID Peru Prevent.

NIGERIA

BUILDING STRONGER INSTITUTIONS FOR A MORE RESILIENT NIGERIA

Nigeria is Africa's most populous nation and largest economy. But along with its industrialization and rapid growth there has been a growing distrust in government institutions. In a recent Gallup poll, the percentage of residents expressing confidence in the judicial system in Nigeria fell from 53 percent in 2019 to just 36 percent in 2021—far below the global average of 58 percent who have confidence in their judicial systems. To help close this deficit of trust and civic engagement, DAI is implementing two projects that strengthen accountability and improve government performance through technical advice, strategic guidance, and support.

The **Nigeria State Accountability, Transparency, and Effectiveness** (State2State) Activity supports governance structures in six states to improve their ability to plan and budget, raise revenues, increase civil society participation, and oversee service delivery in the health, education, and water, sanitation, and hygiene (WASH) sectors. A complementary project, the FCDO's **Partnership to Engage, Reform and Learn—Accountable, Responsive, and Capable Government** (PERL-ARC), supports Nigerian governments in organizing their core function of making, implementing, tracking, and accounting for policies, plans, and budgets used in delivering public goods and services to promote growth and reduce poverty. It also supports citizens to engage with these processes.

Together, these governance projects have contributed to the development of more effective, more accountable, and more transparent institutions; ensured responsive, inclusive, and representative decision making; and strengthened overall participation in good global governance practices.

IMPACT

6,128

STATE AND LOCAL OFFICIALS and civil society workers participated in 238 training sessions, workshops, and dialogues through State2State

6

STATES DEVELOPED 2023–2025 medium-term sector strategies for education, health, and WASH

45

MINISTERS signed government performance bonds

30%

MORE REVENUE COLLECTED in Gombe State, compared to previous year

6,000

NEW TEACHERS for basic schools and 1,950 for senior secondary schools in Jigawa State, thanks to policies supported by PERL-ARC

Photo: FCDO PERL-ARC.

IMPACT

78

CITIZEN-IDENTIFIED projects included in the 2023 state and local budgets in Akwa Ibom State

23

LOCAL GOVERNMENTS in Kaduna State integrated citizen input in state budgets

142,263

VULNERABLE PEOPLE now receiving healthcare in Kano State—up from 84,964 last year—thanks to PERL-ARC reforms at health centers

80,000

VULNERABLE PEOPLE now enrolled for basic health services in Jigawa State—up from 46,000

17%

OF SOKOTO STATE BUDGET dedicated to education due to citizen advocacy supported by State2State

Photo: FCDO PERL-ARC.

17 PARTNERSHIPS FOR THE GOALS

GLOBAL

SUPPORTING TEAM EUROPE AND THE GLOBAL GATEWAY

In 2021, the European Union launched its Global Gateway strategy with the aim of mobilizing up to €300 billion to sustainably strengthen health, education, and other infrastructure systems. “We will support smart investments in quality infrastructure, respecting the highest social and environmental standards, in line with the EU’s values and standards,” said Ursula von der Leyen, President of the European Commission. “The Global Gateway strategy is a template for how Europe can build more resilient connections with the world.”

Importantly, the Global Gateway aspires to be a harmonized mechanism, implemented in a coordinated manner through Team Europe, an initiative that brings together the EU, its Member States, various implementing agencies, and public development banks such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development.

DAI is proud to have been selected to provide some of that coordination support and lead various technical assistance facilities under the Team Europe banner, including specialized assistance in project identification, preparation, and implementation.

Notably, DAI is implementing the **Support to European Development Policy and Team Europe Facility**, which ensures effective cooperation and enhances EU engagement in the Global Partnership for Effective Development Co-operation. Launched in 2023, the Facility in its first six months backed joint programming initiatives in Guinea Conakry, Mali, Malawi, and Niger, along with the European Development Finance Institution Secretariat.

Also launched in 2023, the EIB’s **Green Gateway—Greening Financial Systems Technical Assistance Programme** is designed to mobilize financial resources for developing countries and build a financial sector

conducive to climate action and green investment. During its first year of implementation, under DAI's direction, it has already started to support two countries, targeting two central banks and 10 financial intermediaries.

In the third of the programs launched last year—the **Global Gateway Support Mechanism** (GGSM)—we ensure EU infrastructure policy and standards are embedded at the country and regional levels. GGSM has addressed requests and provided inputs for 17 EU Delegations. For example, in Moldova the team optimized operations at 16 border crossings, developing recommendations for 52 improvement actions, while collaborating with Moldovan, Romanian, and Ukrainian customs authorities to improve efficiency, security, and trade facilitation amid disruptions caused by the Russian invasion.

Finally, DAI is implementing the **Urban Development Technical Facility**, which encourages effective partnerships and enhances the quality and impact of EU interventions in urban development, especially in sustainable urban mobility and waste management. Since 2022, the Facility has supported eight EU Delegations and launched an urban financing instruments database for the Directorate-General International Partnerships (DG INTPA).

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