

SHA...A
MO...YABL

SUSTAINABILITY REPORT 2022





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Cover Photo: DAI

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)

PHOTOS COURTESY: USAID VIETNAM SUSTAINABLE
FOREST MANAGEMENT ACTIVITY



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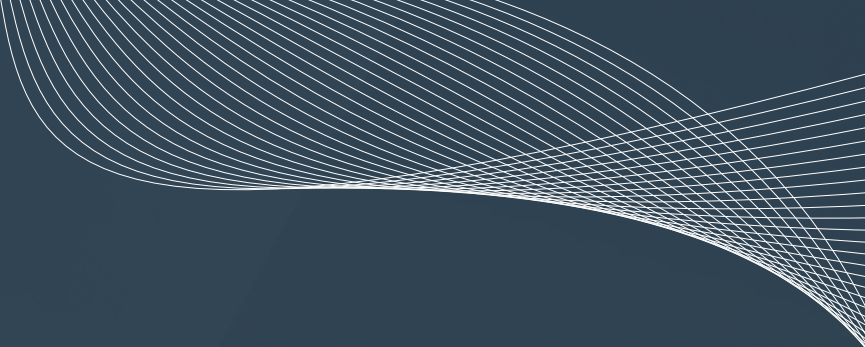
PREFACE

Welcome to DAI's *Sustainability Report* for 2022. A new departure for DAI, the *Sustainability Report* is in part the successor to our annual *Communication on Progress*, a document we have produced since 2018 as part of our membership in the United Nations Global Compact.

The Compact is, in its own words, a “voluntary initiative based on CEO commitments to implement universal sustainability principles,” with a mission to “mobilize a global movement of sustainable companies and stakeholders to create the world we want.” Member firms align their strategies and operations with 10 principles covering human rights, labor rights, environmental sustainability, and ethical business practices, and seek to advance the **17 UN Sustainable Development Goals (SDGs)**.

The *Sustainability Report* maintains this focus on development impact and the SDGs, as enumerated in the second half of the document. What's new about the *Report* is its first half, where we lay out what we're doing to ensure that DAI is itself a sustainable organization.

Sustainability is a term with multiple dimensions. When we think about sustainability in our economic growth programming—in our work to support small and medium-sized enterprises, for example—we are typically thinking about commercial viability: a business is sustainable when it is adding value for its customers, generating a return on its investment, and able to invest in its future.



DAI has always been clear about our own need to operate as a successful business—so that we can attract the best talent in our field, keep DAI a great place to work, and invest in the increasingly broad range of capabilities and services our clients require to advance their development objectives. Financial performance is also a good measure of the value we bring to those clients.

But this isn't the kind of sustainability we're focused on here. For the purposes of this *Report*, a sustainable business is a business whose operating standards and principles are conducive to the “more livable world” we aspire to in our tagline: a company that 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.

This view of sustainability is often articulated according to the environmental, social, and governance framework, or ESG. And that is how we have framed it here. We are aware that ESG is itself a contested concept, but as my colleague Helle Weeke notes in her introduction, “we have concluded that sustained, long-term attention to ESG criteria is important to our purpose as a development company.”

The two strands of sustainability—commercial viability and corporate responsibility—are not mutually exclusive. Indeed, some research suggests that more responsible companies are more likely to thrive, especially as consumers, clients, investors, and employees become more attuned to companies' ESG profiles.

As a long-time employee of employee-owned DAI, I'm confident that the company of which I am a part-owner has always operated with the spirit of a responsible business. Our core values, after all, are integrity, responsibility, excellence, and global citizenship. As the President and CEO of this company, I am pleased that we are spelling out in more concrete detail some of our progress in the E, S, and G domains, and holding ourselves accountable for the progress yet to be made.

James Boomgard
President and CEO



DAI: A GLOBAL DEVELOPMENT COMPANY

DAI is an employee-owned international development company, dedicated solely to international development. Global in reach—fielding roughly 850 corporate and almost 4,700 project staff—we are delivering development results on more than 200 projects in some 75 countries, from stable societies and high-growth economies to challenging environments marked by political or military conflict, such as Afghanistan, Haiti, 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.

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 2022, DAI also worked for partners such as the European Bank for Reconstruction and Development; the European Investment Bank; FMO, the Dutch entrepreneurial development bank; the CDC Group (now 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 Business, Energy & Industrial Strategy; the Swiss Agency for Development and Cooperation; the French Development Agency

(AFD); the World Bank; the Bill and Melinda Gates Foundation; the Mastercard Impact Fund; the Inter-American Development Bank; the Global Center on Adaptation; and Sesame Workshop—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 management arm, DAI Capital, which provides capital advisory and asset management services in frontier and emerging markets, thereby driving investment and economic growth. 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 ALUMNI
NETWORK



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.



DIGITAL ACCELERATION

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



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.



GOVERNANCE

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



SUSTAINABLE BUSINESS

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





Helle Weeke
Senior Vice President and General
Counsel, Chair of DAI's ESG
Steering Committee

INTRODUCTION

ESG: THE NEXT STEP IN DAI'S SUSTAINABILITY REPORTING

DAI is a purpose-led, performance-driven impact company. Founded in 1970, we have always been committed to our development mission, and to conducting our operations in line with our core values of integrity, responsibility, excellence, and global citizenship.

In recent years, we have determined that these commitments—long-standing internal pillars of our global organization—are inspiring and indispensable, but insufficient. To complement them, we need a framework rooted in broadly accepted metrics that provide a measure of external validation for DAI's standing as a responsible business.

Accordingly, we joined the United Nations Global Compact, a voluntary initiative based on corporate commitments to implement 10 universal sustainability principles and advance the Sustainable Development Goals (SDGs). DAI operations in the **United Kingdom, Belgium, Austria,** and **Nigeria** all achieved ISO certifications. In the United States, DAI was re-appraised at maturity **Level 3 by CMMI Institute**. We also signed on to the **Science-Based Targets Initiative**, a global climate action partnership to achieve ambitious emissions reductions.

In 2022, we stepped up efforts to hold ourselves accountable to generally accepted sustainability metrics by applying a more formal environmental, social, and governance (ESG) lens to our organizational performance.

Put simply, we think we’ll be a better impact company if we perform well in the E, S, and G dimensions. In the past year, therefore, we established a Steering Committee to lead our strategic thinking on ESG. And we commissioned a leading ESG measurement firm—Evalueserve—to support the committee, chart a path forward, and identify a set of initial indicators to track in accord with internationally recognized standards.

The ESG Steering Committee reports on our progress to the Board of Managers regularly. While we are very much in the formative stages of building our ESG reporting apparatus, we have agreed on the initial indicators—summarized in the textbox, below—and identified numerous potential indicators to incorporate as the program matures.

We are certainly aware of recent debates, controversies, and even skepticism surrounding ESG. But we have concluded that sustained, long-term attention to ESG criteria is important to our purpose as a development company and makes us a better performing business. It is simply good practice to demonstrate that, among other things, we adhere to high standards of corporate governance, insist on ethical behavior at all levels, respect the environment, minimize our carbon footprint, treat employees fairly and well, and cultivate a diverse leadership and workforce.

Consistent performance across the ESG domains is increasingly a pre-requisite for our current and prospective employees and a best practice in the business world—including, perhaps especially, in the international development sector. In 2022, as part of our proprietary client and market survey conducted with Devex—the world’s leading network of global development professionals—we asked those professionals the following question:

Environment

- GHG Emissions
- Climate Change
- Environmental and Natural Resources

Social

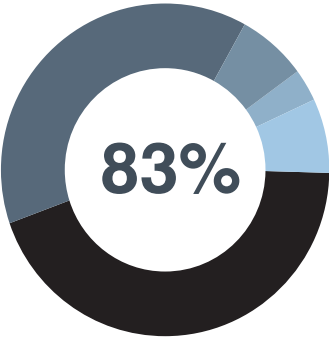
- Employee Diversity, Equity, and Inclusion
- Fair Pay and Employee Wellbeing
- Human Rights
- Data Protection and Privacy
- Partners and Local Communities

Governance

- Corporate Governance
- Business Ethics, Integrity, and Transparency
- Anti-corruption
- Product Design and Lifecycle Management

When choosing implementing partners, how likely is your organization to apply an ESG lens?

Source: DAI/Devex Client and Market Survey 2022



- Very likely
- Likely
- Unlikely
- Very unlikely
- Already applies ESG lens

“When choosing implementing partners, how likely is your organization to apply an ESG lens in its procurement or partner selection process in the next two years?”

Of 952 respondents, 83 percent say their organizations are very likely or likely to apply an ESG lens in that period, and 7 percent already do. Respondents were evenly split when it came to which of the three components—E, S, or G—would be most important to their organizations.

ESG-related services are also a growing segment of DAI’s own project portfolio. In 2022—to take just a few examples across our work with international donors, companies, foundations, and governments—DAI took on the following assignments:

- In a project funded by the **FCDO**, we worked with Morocco’s **Ministry of Economy and Finance** to support the design and structuring of the £1.2 billion Mohammed VI Fund for Investment. DAI helped embed the ESG criteria required to ensure the fund’s alignment with the Paris Agreement and international standards adhered to by development finance institutions and commercial investors. We developed the fund’s ESG Policy Document, ESG Baseline, and Climate Finance Strategy, among other key deliverables.
- The **Waitrose & Partners Foundation** engaged DAI to review 15 years of its activity, including its strategy, the integrity of its operational and governance framework, and its risks.
- **DP World** enlisted DAI to facilitate a workshop at the 2022 Sustainability Champions Conference in Dubai. DAI trainers guided 30 DP World sustainability champions through a design thinking approach to its sustainability initiatives, and delivered three modules from DAI’s Social Investment Fundamentals course.

- **A global energy company** commissioned DAI to design a social investment course that will enable the energy company to develop a systematic, high-impact approach to meeting its global social investment commitments and achieving its newly established Sustainability Aims.
- On **USAID's** Lebanon Trade and Investment Facilitation Project, we partnered with local firm Capital Concept to implement the Lebanon ESG Stewardship Program, which helps Lebanese companies improve their management practices to become ESG-compliant by international standards and therefore more attractive to investors. To date, 65 companies are enrolled.

In the pages that follow, we briefly summarize DAI's activities in the environmental, social, and governance sphere, as a prelude to the project impact profiles that make up the second part of this document. We are at once proud of the progress we have made on the ESG front and conscious that we can do more and do better. Confident in the guidance of our Board, the assistance of our partners, and the wholehearted support of our employee owners, we aim to do exactly that in the years ahead.

—Helle Weeke

Positioning sustainability as a driver of business growth

Drawing on 53 years of experience implementing development projects around the world, DAI's Sustainable Business Group is well placed to help companies tackle two key challenges.

First, the sphere of responsibility assigned to businesses now extends beyond their balance sheets and physical premises into their adjacent communities and environments. They must navigate new frameworks, regulations, and consumer expectations focused on protecting people and planet.

Second, changing energy security demands, the need for a just transition to renewable energy, and post-COVID policies favoring localization for increased resilience and local impact all require companies to determine which products and services they can source locally.

Companies' business and social impact goals should dovetail to meet these two challenges by developing inclusive supply chains and fit-for-purpose social investment. From advising global leaders in green hydrogen to building supply chain resilience for garment manufacturers in Asia, we enable our clients to put sustainable practices at the core of their plans. Our integrated approach is helping leading corporations—from retailers to energy companies—optimize operations while meeting their responsible business commitments.



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.

Trees for Life

In 2022, we renewed our gold partnership with Scottish conservation charity Trees for Life, supporting its efforts to restore an area of land to Caledonian Forest, a unique ecosystem. In 2021 we planted more than 1,000 trees as part of this rewilding process. In addition to its environmental efforts, the NGO invests in job creation and social infrastructure in the local community.



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.

To support these efforts, DAI established a Net Zero Taskforce. The taskforce is a direct response to growing interest among our employee owners, project partners, and clients to account for our emissions and make positive changes to cut them.

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.”

“ In April 2022, the Science-Based Targets Initiative (SBTi) validated our near-term emissions reduction target. Our proposed target meets all SBTi criteria regarding timeframe, emissions coverage, and ambition. We are now implementing our decarbonization strategy across DAI.”

— Felicity Buckle, Net Zero Champion

Achieving 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.



DAI employees in Nigeria clean the beach as part of a team-building exercise, June 2022.

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.

2

SCOPE 2

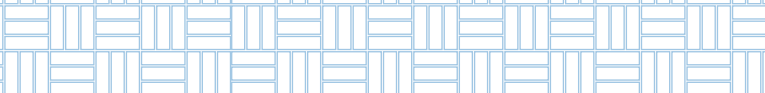
Scope 2 covers indirect emissions such as purchased electricity, steam, heating, and cooling. For DAI, Scope 2 emissions result primarily from electricity usage.



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.



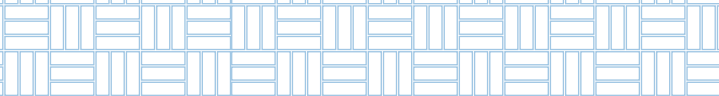


Transparency and Accountability

DAI reports annually to CDP (the Carbon Disclosure Project), a globally recognized disclosure system for investors, companies, cities, and states to record and manage their environmental impacts.

In 2022, we provided CDP with our emissions reporting for scopes 1, 2, and 3, including reporting from past years. We received a 'C' grade, indicating awareness-level engagement and highlighting our understanding of how environmental issues intersect with business and how our operations affect people and ecosystems. We are pleased with this grade given we are still very much at the beginning of our Net-Zero journey. We are now focusing on improving our score and strengthening our processes and systems to drive emissions down.



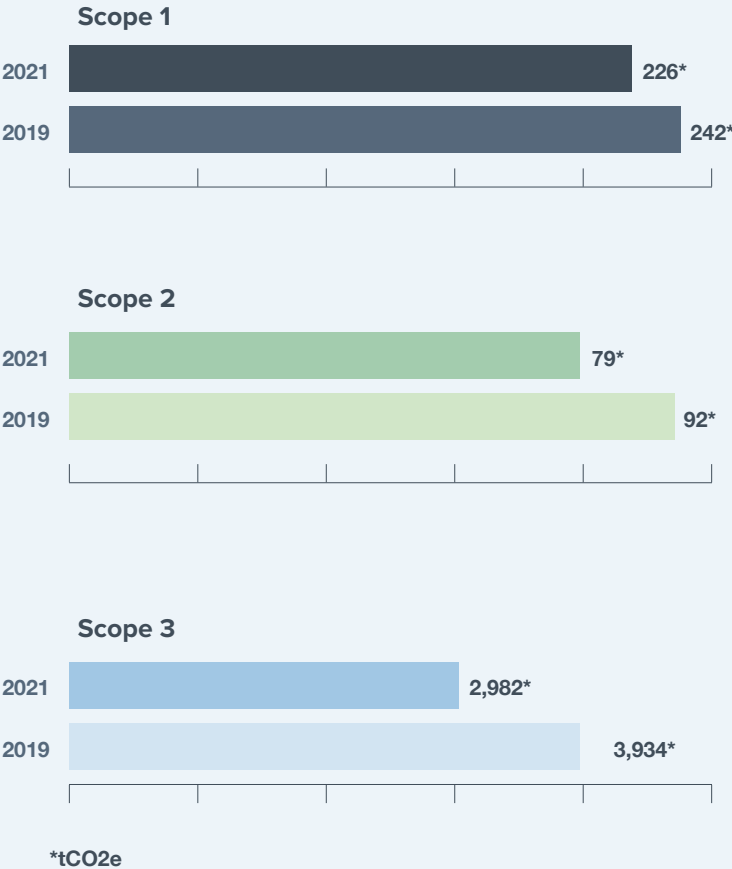


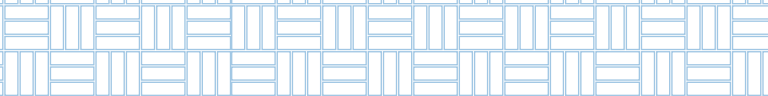
Results to Date

We selected 2019 as a baseline against which we could 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 tonnes of carbon dioxide equivalent (tCO₂e), including all relevant GHG emissions from sources and subsidiaries.

In 2022, we completed emissions data collection for 2021 across our global corporate offices. We have made progress in reducing our emissions across all three scopes (see graph). Our collective corporate emissions were down 23 percent, from 2019 from 4,267 to 3,288 tCO₂e.

DAI's Corporate Greenhouse Gas Emissions 2019 and 2021





ISO Certifications

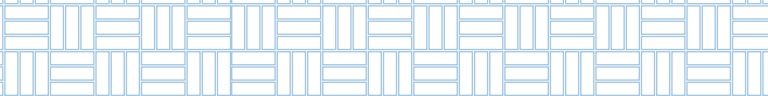
DAI's U.K. office achieved the internationally recognized ISO 9001:2015 and ISO 14001:2015 standards in 2010, establishing it as an operations leader in international development consulting and implementation. These certifications were extended to our Belgian (2019) and Austrian (2022) operations, and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



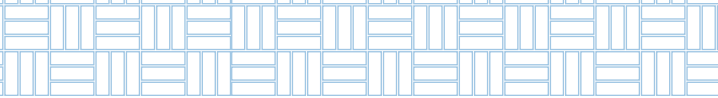
DAI at COP27

At COP27 in Egypt in 2022, DAI had our largest-ever presence at a Conference of the Parties, helping to promote projects from across our portfolio—including work funded by USAID, EU, FCDO, and the U.K. Department for Business, Energy & Industrial Strategy. Spotlighted projects included **Clima-Med** and the **Centre for Disaster Protection**.

We also helped the Global Centre for Adaptation launch its inaugural Local Adaptation Champions Awards to inspire and support climate champions from climate-vulnerable countries. Winners in four categories—Financial Governance, Inclusive Leadership, Capacity and Knowledge, and Local Innovation—were announced at a successful awards ceremony.

DAI’s own event, on climate finance, drew more than 100 attendees.





Joining the IRENA Coalition for Action

In June 2022, DAI joined the IRENA Coalition for Action, an initiative to spur dialogue among international stakeholders to increase the use of renewables in the global energy mix. The Coalition was launched in 2014 by the International Renewable Energy Agency (IRENA) and brings together more than 130 leading companies, industry associations, civil society groups, research institutes, and intergovernmental organizations.

As a Coalition member, DAI has the opportunity to build partnerships and work on IRENA's strategic and programmatic activities and has provided inputs to the documents produced by the working groups.





Researching the Policy Framework for U.S. Approach to Offshore Wind Projects

The imperative to achieve Net Zero has placed investment in renewables at the forefront of the policy agenda. To encourage such investment and stimulate sustainable economic growth, national governments are also embedding local content requirements and incentives in the development of large-scale renewable development projects.

In 2022, DAI published a technical report, **U.S. Federal and State Local Content Requirements for Offshore Wind Projects**, that analyzes both federal and state-level local content requirements in the United States. The report unpacks the key policy instruments required and the federal and state grants and tax incentives available to stimulate domestic employment and supply chain development.

Behind these requirements lies the new drive for policies that encourage domestic industrial transformation and local “green jobs” as outcomes of capital investments in renewable energy.

The report concludes that local content requirements are likely to remain integral to federal-level wind leasing and state-level power purchasing, and will increasingly be designed to deliver specified industrial development outcomes to support investment and growth in the U.S. offshore wind sector. In 2023, DAI will publish a companion study analyzing similar regulations in the U.K. offshore wind sector.

SELECT CLIMATE PROJECTS WON IN 2022



USAID

Political Economy Analysis (PEA), Environment and Natural Resource Management

Develop and implement a PEA related to environment and climate change programming

Advancing Capacity for the Environment

Support USAID's work in climate change, environment, energy, and infrastructure

Innovative Conservation Financing Roundtables

Mobilize investment for safeguarding biodiversity and advancing climate solutions

Climate Strategy—Monitoring, Research Evaluation, and Learning Support

Develop a guidance document for USAID Missions

Mining and the Green Energy Transition

Support USAID's engagement in the mining sector

GLOBAL CENTER ON ADAPTATION

GCA Global Award for Local Adaptation Champions

Spotlight innovative, scalable, locally led efforts that address the impacts of climate change

EUROPEAN UNION

Urban Development Technical Facility

Support EU partner countries facing urban development and green infrastructure challenges

U.K. DEPARTMENT FOR BUSINESS, ENERGY & INDUSTRIAL STRATEGY

Climate Ambition Support Alliance 2

Support climate-vulnerable countries' negotiators to engage in and influence international climate negotiations



Egypt

Transforming Financial Systems for Climate, National Bank of Egypt

Assist Egyptian financial institutions to adopt climate finance strategies and tools

Malawi

Malawi Energy Programme, European Union

Assist the energy sector to tackle issues impeding the resilient transformation of energy systems

MADAGASCAR

HEARTH Madagascar, USAID

Provide environmental monitoring data and assess change in tree cover

SAHEL REGION

Gender-Fragility-Climate: Triple Nexus Research in the Sahel

Research the drivers of gender inequality, state fragility, and climate vulnerability to inform future regional programming



ASIA

Pakistan

Climate Finance Accelerator, PwC

Assess low-carbon projects for climate finance

Nepal

Improved Disaster Risk Management Project, USAID

Address food insecurity and other challenges exacerbated by climate change-related disasters

Biodiversity Activity, USAID

Reduce threats to ecosystems and species, conserve nature, and enhance human well-being

Cambodia

Sustainable Assets for Agriculture Markets, Business and Trade, European Investment Bank

Develop a more climate-resilient and more equitable rural economy

Indonesia

Urban Resilient Water, Sanitation, and Hygiene Activity, USAID

Strengthen inclusive, system-wide connections to achieve healthy, productive, and climate-resilient cities

ASIA REGION

Asia Blue Carbon Analysis, USAID

Analyze the importance and impact of “blue carbon”

Asian Grey Timber Analysis, USAID

Reduce forest conversion by increasing the financial viability of forest-based enterprises



AMERICAS

Haiti

Haiti Water and Sanitation Project, USAID

Extension: Build resilience to help Haiti recover from climate-related disasters

Honduras

Building Climate Resilience Activity, USAID

Help develop the governance, local capacity, and resources needed to respond to climate change

Colombia

Destination Nature Activity, USAID

Address the causes of environmental degradation and land use change that contribute to greenhouse gas emissions

Armenia

Readiness and Preparatory Support Program for the Government of Armenia, ARMSWISSBANK

Provide a framework for green bonds in Armenia

Sustainable and Inclusive Growth in Mountainous Armenia, Swiss Agency for Development and Cooperation

Tackle the constraints faced by
small enterprises to create a
more competitive, inclusive,
climate-resilient market

Bosnia and Herzegovina

EU4Energy: Technical Assistance in the Energy Sector, EU

Implement a new legislative
framework and provide technical
assistance in energy sector
management

Türkiye

Assessment of Türkiye's Potential Transition to the Circular Economy, EU

Reduce pressure on natural resources and
create more sustainable growth and jobs

Flood Risk Management Plan, Meriç-Ergene River Basin, EU

Contribute to national reforms in
the assessment and management
of flood risks



EUROPE

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.



In the United Kingdom, DAI's employee resource group focused on disability inclusion organized an awareness-raising week to coincide with the International Day of Persons with Disabilities.

Workforce Diversity at DAI

DAI is a global company operating from 16 corporate locations and typically working in up to 100 countries at any one time. At the end of 2022, our global workforce consisted of 850 corporate employees and 4,675 project staff delivering development results across some 200 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.



Part of the Gender and Social Inclusion group (GESI) Community of Practice Leadership Team

850 
**CORPORATE
EMPLOYEES**

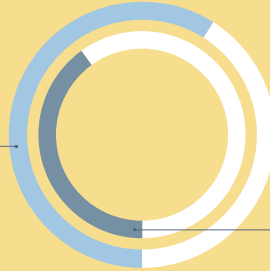
99 
**LANGUAGES
SPOKEN**

72 
NATIONALITIES

Gender Diversity

60.8%

WOMEN
in the global
corporate
workforce



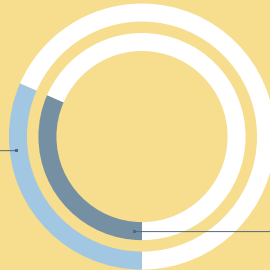
42.8%

WOMEN
in the
organization's
governance bodies

Racial and Ethnic Diversity

37.6%

**RACIAL/
ETHNIC GROUP**
representation
in the global
corporate
workforce



37.5%

**RACIAL/
ETHNIC GROUP**
representation
on the organization's
Board

Governance bodies: Full-time DAI corporate employees in an executive position within the company as of December 2022, 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.



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. In 2020, after the murder of George Floyd, we recommitted to these values by ensuring that racial and social justice are woven into the fabric of the company. We appointed a Global Head of DEEI—Vice President Bobby Jefferson—who in 2022 added three specialists in DEI, communications, and human resources and data analytics to round out the team.

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.

Bobby Jefferson moderates the DEIA panel at the 10th Annual Development Conference presented by the Professional Services Council.

Employee Resource Groups

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 2022, we developed a formal policy to ensure our ERGs' contributions to company culture, business, and policies are recognized, valued, and seamlessly integrated into the business to support our long-term strategy. By establishing an executive sponsor for each ERG and providing a budget, we can ensure they're successful in our shared mission to advance DEEI from the inside out.

While we have focused initially on the internal dimensions of DEEI, we know that we are more effective in addressing racism, discrimination, and

exclusion when we build bridges with like-minded organizations. For example:

- Bobby Jefferson is a member of the Society for International Development—U.S. Executive Committee; in that role, he instituted the Race, Ethnicity, and Diversity workgroup and set its DEI strategic plan in motion.
- A regular speaker on DEEI issues, Bobby is also co-chair of the Council of International Development Companies' DEI Committee and participates in British Expertise International's Equity, Diversity, & Inclusion Working Group.
- DAI is a founding member of the Coalition for Racial & Ethnic Equity in Development (CREED) and a lead member of the WILD Network (Women in Global Development Leadership Forum).



Staff gather in the Bethesda office to celebrate International Women's Day.



Attendees at the first Black ERGs in International Development Mixer, planned by DAI Noir, Black@Abt, and ChemONYX.

Expanding the Leadership Pipeline

To ensure we have access to the best talent available, DAI is refining its recruitment and people processes—by incorporating DEI into all our job descriptions, for example, and deepening our relationships with historically black colleges and universities (HBCUs) and minority-serving professional associations and conferences.

In 2022, we completed an enterprise-wide job harmonization initiative to ensure consistency and equity in job roles, career tracks, and compensation. In the United States, we launched transparent compensation policies and practices, and we aim to roll out the transparent compensation framework globally.

DAI projects tackle some of the world's toughest issues in some of the world's most challenging environments, and the staff on those programs represent a deep reservoir of expertise. Investing in their career growth is critical. In 2022, we launched a **Project Leadership Program** to strengthen relationships with project staff who have the potential to be future leaders of the company. Participants receive six months of leadership training, management skills development, and an opportunity to connect with leaders across the business.



“I see [the Project Leadership Program] as a vote of confidence and challenge to keep learning and excelling within the DAI family. I look forward to fully participating in all activities of the Program and applying the learnings in my work now and in the future.”

— John Onyeukwu, Deputy Chief of Party,
State2State Program, Nigeria

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.

For example, MicroVest—which joined DAI in 2021 and serves as 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 2022, MicroVest disbursed \$149 million in investments to 20 financial institutions across 14 countries. Today, MicroVest's portfolio comprises 44 financial institutions operating in 24 countries. Together, these institutions provide financial services to 9.6 million underserved micro, small, and medium enterprises (MSMEs) in emerging markets, 53 percent of which are owned or led by women.

MicroVest's investments empower entrepreneurs in emerging markets, most of whom are women.





Notably, in 2022 MicroVest became a member of 2X Global, an industry organization originating from the G7-founded 2X Challenge, which seeks to mobilize capital for gender-forward investments. In addition to the fact that more than half of the MSMEs financed by MicroVest's portfolio companies are owned by women, MicroVest's portfolio qualified for the 2X Challenge's criteria for Leadership and Consumption.

DAI Magister—the corporate finance and M&A advisory arm of DAI Capital—connects growth companies in emerging and frontier markets with global equity investors. In 2022, DAI Magister began providing free investment advisory services to early-stage startups through the DAI Magister Academy, which provides expertise and advice to companies that are poised for success but not yet ready for DAI Magister's formal support. To date, the Academy has provided this free service to 16 companies in Africa and Europe.



“It’s been a huge privilege to work with the team at DAI Magister through the DAI Magister Academy. The team really took the time to understand our mission and vision, as well as our positioning on the market and financials. In addition, DAI Magister provided adept advice on how to adjust our business model and position ourselves given the reality of current market conditions.”

— Iyinoluwa Aboyeji, Founder and General Partner,
Future Africa

Safeguarding

We are particularly proud of our commitment to safeguarding, which is part of our *Code of Business Conduct and Ethics*. We deliver annual, mandatory ethics and safeguarding training for all DAI staff, at corporate and project locations. We developed DAI's Safeguarding Policy Statement to include current best practices and to comply with the FCDO's Enhanced Due Diligence requirements.

DAI's Global Director of Safeguarding, Sarah Maguire, who is accredited at Tier II by the CHS Alliance Investigator Qualification Training Scheme, operates across all DAI's corporate offices and projects. The Global Director upholds standards in preventing and responding to sexual exploitation, abuse, and harassment, which instills confidence in DAI's staff, partners, and communities that all safeguarding concerns will be handled in line with sector-wide best practice, including confidentiality, timeliness, and adherence to a survivor/victim-centered approach. All investigations are led or managed by the Global Director.

The safety, welfare, and rights of the alleged victim or reporters are a paramount consideration in all investigations. In 2022, DAI launched an updated Speak Up Line to encourage reporting of sexual misconduct, discrimination, concerns related to DEI, and other potential breaches of DAI's *Code*.



Global Director Sarah Maguire oversees safeguarding across all DAI corporate offices and projects.

DEEI in our Solutions

Advancing DEEI, protecting human rights, and reducing social inequities is central to much of our work. In 2022, we were proud to be entrusted with various projects addressing these themes, including the following:

- USAID's **Youth Resilience to Crime and Violence** in the Caribbean project enhances youth, family, and community resilience to crime and violence in select Caribbean countries. It works to improve the provision of social services to vulnerable populations; provides education, psychosocial support, and market-relevant skills to young people; and improves access to inclusive development opportunities.
- The **MED Dialogue for Rights and Equality II—Civil Society Facility South** is an EU program that increases the capacity of young people, women, and other disadvantaged groups to tackle development challenges in the South Mediterranean.
- The Mastercard Center for Inclusive Growth's **Strive USA Program** improves the financial resiliency of U.S. small businesses while assisting them to join 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).



DAI took on various projects in 2022 to address DEEI, protect human rights, and reduce social inequities.



GOVERNANCE

Good corporate governance is essential to our identity as a company and enshrined in our core values of responsibility and integrity. Our governance practices require transparency, promote ethical staff behavior, and ensure accountability for our actions. 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.



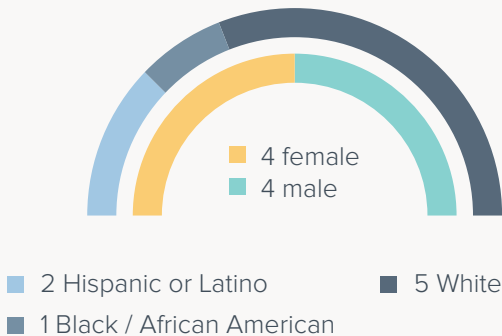
Corporate Governance

The **Board of DAI Global, LLC** is a diverse group of corporate and development professionals with decades of experience inside and beyond the international development sector. Half of the Board members are female, including our chair, Elizabeth Nelson. Three nationalities and three ethnicities are represented on the Board. With the exception of DAI President and Chief Executive Officer Jim Boomgard, the Board is wholly independent. All executive and management company functions are separate from the Board.

The Board currently has eight members. Board appointments are for three years and members may not serve more than four terms. In 2022, we welcomed to the Board Juan Pujadas, a retired principal from PwC.

Board Make-Up

8 board members





“In the 21st century, international cooperation is about putting the right resources—financial, technological, and human—at the disposal of increasingly capable local counterparts who will drive their countries’ development. That requires companies like DAI to build on their role as facilitators and enablers.”

— Juan Pujadas, DAI Board of Managers



Daniel Heaney (top), Elizabeth Nelson

James Boomgard (top), Maria Otero

Juan Pujadas

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.

We promote a safe, secure, and healthy working environment for all our employees, including preventing discrimination and promoting equality. In 2022, we consolidated our Diversity, Equity, Engagement, and Inclusion team, which fosters minority inclusion and supports education throughout the company on equitable staff practices.

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.

Anti-corruption

Our commitment to anti-corruption is part of our *Code of Business Conduct and Ethics*. Employees are required to complete ethics training based on the *Code* every year.

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 confirmed five instances of attempted bribery in 2022, all of which were averted, meaning that no money was paid and there was no financial impact on any of the projects concerned.

We also conduct third-party vetting of all our vendors and partners to ensure compliance with legal standards and procedures in all the countries where we work.



The **Justicia Efectiva** project improves the handling of targeted crimes and expands access to justice for vulnerable groups in Honduras.

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 anti-corruption.

To take just three examples of projects that we launched in 2022:

- The **Effective Justice to Combat Criminality and Corruption** project in Honduras (Justicia Efectiva) aims to improve the investigation, prosecution, and resolution of corruption and other targeted crimes, while expanding access to justice for vulnerable populations.
- The **National Governance Program** works with the Government of Georgia to deliver citizen-responsive governance based on strengthened accountability mechanisms, internal controls, and anti-corruption capabilities.
- The **Municipal Integrity Activity** addresses long-standing corruption and service delivery issues in Kosovo, with a focus on public financial management and municipal procurement.

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 anti-corruption and enables us to share learning between our external projects and internal ethics teams.



“How we implement our projects is as important as what we achieve. That’s why we’ve built our Code of Business Conduct and Ethics around our core values. Our approach allows us to equip staff to solve problems ethically, providing them with the principles to make prudent decisions, rather than anticipating every possible incident of misconduct.”

— Jenny Baker, 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.

**Owners
living in 40
COUNTRIES**

**\$50,000
AVERAGE
HOLDING**

**960
EMPLOYEE
OWNERS**

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




“Being an owner means I am personally invested in DAI’s success in all areas, not just financially. Whatever I do to help my colleagues be more successful, or to help my organization act with integrity, will contribute to higher returns on my investment in DAI.”

— Joy White, Director, Global Employee Ownership

Investment

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



Srey Leakh, a client of Amret, a portfolio company of MicroVest in Cambodia, has been able to open her own convenience store with access to responsible financing. This has given her the flexibility to manage her business and also take care of her aging mother.

MicroVest's “3C” due diligence framework—Country, Character, and Credit—guides its initial assessment of a financial institution before it enters the MicroVest portfolio. While investment and risk teams carefully assess operating and financial history—as well as country, macroeconomic, credit, and political risk—rigorous Character underwriting helps identify financial institutions that demonstrate a commitment to the communities they serve, which results in a more resilient and scalable portfolio.



The due diligence process around Character ensures that institutions are lending for productive purposes, assesses company board members, avoids lending to borrowers who might adversely affect the environment, and certifies that partner institutions comply with know-your-customer and anti-money-laundering laws. Lending is restricted to socially responsible sectors, and partner institutions must abide by workers’ rights guidelines.

DAI Magister, our capital advisory business, also screens client companies and their key stakeholders for sanctions and reputational risk issues ahead of engagement. DAI Magister primarily works in two sectors: tech-enabled businesses in Africa and the Middle East region, and climate-tech companies globally. 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.

DAIMAGISTER

From Sustainable Business to Sustainable Impact

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 2022, we are proud to have made contributions across all but one of the 17 SDGs.



WESTERN KENYA WATER PROJECT (WKWP)



DAI'S WORK AND THE SUSTAINABLE DEVELOPMENT GOALS

DAI's 50 years on the frontlines of global development confirm the interconnectedness of development challenges. Our specialists reach across technical disciplines to shape the integrated development solutions that promise transformational results.





UGANDA

EXPANDING SOCIAL PROTECTION

In Uganda, 42 percent of the population lives on less than \$2.15 per day. Senior citizens are especially vulnerable to extreme poverty and often lack the ability to work and provide for themselves.

To support the most vulnerable in society, the **Expanding Social Protection Program II** aimed to deliver unconditional monthly cash transfers to people 80 and older, as well as develop the broader national social protection system. Funded by contributions from the British, Irish, and Ugandan governments, the program ran for 10 years, in which time the Ugandan Parliament affirmed its support for the delivery of monthly grants to over-80-year-olds. DAI managed a Fund Management Team—hosted by the Ministry of Gender, Labour and Social Development between 2019 and 2022 (the final stage of development partner support)—to deliver the senior citizen grants, and we provided technical assistance to the Government of Uganda.

The grants form a central pillar of the social contract between the Government of Uganda and its citizens, upholding the dignity, security, and resilience of the country's elderly population. In addition, the program expanded social protection more broadly, through implementation of the 2015 National Social Protection Policy, which widened social protection's coverage, impact, and scope to persons with disabilities and those in the informal sector, among others. When the program closed in December 2022, the Ugandan Government assumed responsibility for it and now provides monthly senior citizen grants as part of its annual budget.

IMPACT

300,000+

PEOPLE OVER 80 YEARS OLD
—across all 146 districts of
Uganda— are provided with 25,000
Ugandan shillings each month



300,000+

ESTABLISHED A NATIONAL
SOCIAL PROTECTION SYSTEM
that now runs with Government
of Uganda funding

90%

SATISFACTION RATING
FROM PARTICIPANTS



2 ZERO
HUNGER



ZAMBIA

SCALING UP NUTRITION

A record 349 million people across 79 countries are facing acute food insecurity—up from 287 million in 2021, **according to the World Food Programme**. Even before COVID-19, food insecurity was nearing crisis levels. The pandemic added a staggering 200 million to the ranks of the food insecure.

In Zambia, through the USAID-funded **Scaling Up Nutrition Technical Assistance (SUN TA)** project, DAI supported the government before and during the pandemic through a combination of programming in nutrition, health, access to finance, agriculture, and water, sanitation, and hygiene. SUN TA built the capacity of Zambian partners at all levels to take these programs forward with the aim of reducing stunting, a condition that afflicts up to 35 percent of Zambian children under age 5—causing lifelong effects such as poor cognition and limited educational performance.

We engaged women on maternal and child health education, and we worked with farmers across 13 districts to help them adopt climate-resilient farming practices that produce diverse, nutritious foods crucial to reducing stunting. By building new and rehabilitating existing boreholes, we delivered clean water to communities and helped improve sanitation, while the financial inclusion agenda saw us increase access to finance for thousands of rural women.

IMPACT



56,024

**FARMERS RECEIVED
EXTENSION SERVICES,**
helping them adopt
improved land management
practices important for
increasing their production
and productivity



79,502

MOTHERS
benefited from community
activities on improved
maternal and childcare
practices, contributing to
raising healthy children

239

**NEW AND REHABILITATED
BOREHOLES**
delivered to communities,
providing clean and safe water



1,456



**NEW SAVINGS
GROUPS**
formed with a membership
of 24,785 and aggregate
saving of \$1 million



188,124

**PEOPLE RECEIVED
LOCAL FAMILY PLANNING
SERVICES,**
improving access and
reducing travel distance to
health centers.



4,725

**OLDER SAVING GROUP
MEMBERS SHARED**
\$455,493 for farming
purposes, including seed
and fertilizer purchase, labor,
and food.



MITIGATING ANTIMICROBIAL RESISTANCE

Antimicrobial resistance (AMR) is a growing global health threat. Research suggests that if current trends continue, by 2050 AMR could cause 10 million deaths annually and cost the global economy \$100 trillion. Among other measures, better surveillance is needed to understand AMR, especially in low- and middle-income countries where the threat is most acute and laboratory facilities are least developed.

The U.K. Department of Health and Social Care's **Fleming Fund** aims to improve AMR surveillance in more than 20 low- and middle-income countries. DAI is leading these efforts in Bangladesh, Indonesia, and Pakistan. DAI set up One Health governance systems in each country, strengthening coordination across ministries and stakeholders, improving AMR data use, and strengthening public health, animal, and human health laboratories.

The Fleming Fund country grant programs support laboratories across the countries by training and educating staff in advanced microbiology, developing lab protocols and systems, refurbishing buildings, installing new equipment, and strengthening data and surveillance systems. Systems were established to support laboratories to report AMR surveillance data to national reference laboratories, which subsequently share data for analysis with national governments and the World Health Organization's global surveillance system.

Over four years, DAI has strengthened AMR data use, supported better stewardship and use of antimicrobials, supported and equipped scores of laboratories, and championed the importance of national governments tackling AMR for the long term.

IMPACT



**STRENGTHENED ONE
HEALTH GOVERNANCE
STRUCTURES**
in three countries

HOW DOES AMR AFFECT YOU?

What is Antimicrobial Resistance?

Antimicrobial resistance (AMR) is one of the world's greatest threats. The development of AMR is primarily associated with the overuse and inappropriate use of medicines, such as antibiotics.

Antimicrobial resistance (AMR) is an international threat to human life, food security, animal and plant health, the environment and the economy, responsible for 1.27 million deaths in 2019¹ and projected GDP shortfalls of up to \$3.4 trillion annually by 2030.² AMR affects all countries and resistance can spread across national borders and boundaries. We need to work together to fight the spread of antimicrobial resistance.

1) Global Burden of Antimicrobial Resistance in 2019: a systematic analysis. Lancet Infect Dis. 2021;21(11):1501-1514. 2) The World Health Organization. AMR: Global Action Plan. Geneva: WHO; 2015.

How does AMR spread?

AMR is evolution in action. Resistance types occur naturally but are selected for when microorganisms are exposed to antimicrobial drugs, reducing drug effectiveness.

Selection for resistance occurs in humans, animals and the environment. Resistance can spread between individuals, populations and environments, meaning medicines are no longer effective.

A One Health issue

AMR is not only a human health issue, it is cross-sectoral and must be addressed through the adoption of a One Health approach - including aquaculture and livestock production.



**IMPROVED AMR
DATA COLLECTION**
in three countries



72
LABORATORIES
supported and
equipped

4 QUALITY EDUCATION



JORDAN

IMPROVING GENERAL AND VOCATIONAL EDUCATION FOR ALL

The Government of Jordan is committed to providing all children in the Kingdom with high-quality education. In line with this commitment, DAI is implementing the **Support Quality Education and TVET** project, funded by the European Union. Taking an advisory and capacity-building role, the project assists Jordan's Ministry of Education in its efforts to equip the Jordanian workforce with the skills, qualifications, capabilities, and behaviors necessary to achieve the Kingdom's economic and social ambitions.

In 2022, DAI conducted a 100-school survey to inform the ongoing assessment of the education sector, covering both Jordanian and displaced Syrian students. The findings suggest that only 16 percent of schools are judged adequate or better, a poor rating attributable in part to distance learning adopted in the wake of COVID-19, which adversely affected quality. Recommendations emerging from the survey include the need to inform directorates on improvement plans, strengthen inter-institutional coordination, and advise the Ministry of issues that need policy dialogue at the national level.

The project is also improving the capacities of teachers, both in general and vocational education teachers, in the first instance in the field of inclusive education. We are establishing a comprehensive, continuous professional development system for general and vocational education teachers. We engaged 2,117 teachers, principals, learning support teachers, and education counsellors in a Training Needs Assessment to get their input on how to provide inclusive education, improve learning, and develop effective course content.

IMPACT



2,000+

TEACHERS, PRINCIPALS, learning support teachers, and education counsellors engaged in a Training Needs Assessment



100

SCHOOLS SURVEYED for 2022 to assess education quality



3

WORKSHOPS HOSTED for the Education Training Centre on developing inclusive education standards for general education teachers



40

PROFESSIONALS received training to improve the standards of professional development for vocational education teachers





NIGERIA

TACKLING THE LEARNING CRISIS

In Nigeria, more than 10 million children are out of school—most of them girls—and 30 percent of 9- to 12-year-old girls have never attended. Half of all children aged 6-16 cannot read. Amid a severe shortage of teachers, most educators need better support and motivation. Many schools require management strengthening to meet necessary education standards.

To address some of these challenges, the FCDO's seven-year **Partnership for Learning for All in Nigeria (PLANE)** provides technical assistance at both school and governance levels. The project will improve the quality of teaching and learning for primary years while supporting improvements in school management, and will strengthen the state education sector through policy formulation, budgeting, and management reforms.

In its first three months of operation, PLANE has trained 8,389 teachers on foundational skills and accelerated learning, and distributed materials to 3,103 schools in Jigawa, Kaduna, and Kano states, including nearly 17,000 teacher guides. It has supported a review of the primary education curriculum and established 191 community learning hubs where children in underserved communities can receive a better education. To ensure the sustainability of this initiative, PLANE has nominated 237 local facilitators and 45 reading ambassadors to engage children in these communities.

IMPACT



**DEVELOPED A
MONITORING AND
EVALUATION SYSTEM**
to assess school
progress



191

**COMMUNITY
LEARNING HUBS
ESTABLISHED**
with 237 facilitators



45

**READING AMBASSADORS
RECRUITED**



3,103

SCHOOLS SUPPORTED



5

**EDUCATION AND
MANAGEMENT POLICIES
REVIEWED**



8,389

TEACHERS TRAINED
and provided with
learning materials

5 GENDER EQUALITY



NIGERIA

IMPROVING ACCESS TO CONTRACEPTION

Nigeria's growing urban youth population is increasingly marginalized—many are out of school, facing high rates of sexually transmitted diseases, unemployment, and unplanned pregnancies. Girls are especially affected. For example, nearly one in three teen girls will have to deal with an unintended pregnancy, and many struggle to access contraception and menstrual care. Family planning is offered in local pharmacies, but teens are often stigmatized when accessing services; many forego contraception rather than expose themselves to judgment or community gossip. In addition, one in four girls in Nigeria is a victim of domestic violence and a large percentage are married as children, especially in poor and rural communities.

USAID's **Youth-Powered Ecosystem to Advance Urban Adolescent Health** project addresses these challenges by tackling the stigma associated with contraception and by educating teens about issues of consent, sexual violence, and sexual health. The project has established several youth centers in urban, poor areas of Lagos and Kano that provide access to free, teen-friendly contraception, classes on life skills and sexual education, and referral mechanisms for additional health service or gender-based violence. As part of the program, teens can also take part in leadership courses, employment apprenticeships, and health advocacy campaigns.

IMPACT



35,000+

TEENS COUNSELLED
ON FAMILY PLANNING
AND LIFE SKILLS



32,000

TEENS PARTICIPATING
IN SEXUAL EDUCATION



30,000

TEENS RECEIVING
CONTRACEPTION
including new and
returning users

18,000

NEW FAMILY
PLANNING USERS
receiving contraception
through the centers

6 CLEAN WATER AND SANITATION



HAITI

MEETING THE CRITICAL NEED FOR CLEAN WATER

Haiti faces economic, political, and security challenges—compounded by natural disasters and climate change. This context has threatened Haiti's ability to provide adequate water and sanitation services to its people, and created conditions for the spread of waterborne diseases, such as the **recent return** of cholera, which was thought to have been eradicated in early 2022.

USAID's **Water and Sanitation Project** (2017–2023) works closely with Haiti's National Water and Sanitation Authority to empower the country's decentralized water and sanitation utilities to focus on improving access to water, mobilizing domestic resources, and adopting a private sector orientation. This work is laying the foundation for sustainable, safe, and affordable water and sanitation services that are resilient to Haiti's volatile environment.

The project has improved the piped water systems in targeted urban areas, sanitation services offered by small firms in five areas, and the management of the two public fecal sludge treatment facilities in Haiti. It partners with local institutions to jointly identify aspirations, challenges, and priorities. The project co-developed coaching programs, developing best practices in utility management, and worked with authorities to scale these practices nationwide. This bottom-up approach was bolstered by strengthening the water sector's data collection and performance management system, and by making strategic infrastructure investments.

At the beginning of the project, only 6,300 households had paid connections to the public water utility systems in four project areas. By 2022, the program had assisted the local water utilities and fecal sludge management sites to dramatically step up water and sanitation service—and to provide those services on a stable financial footing.

IMPACT

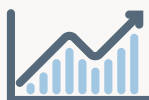
82,611



PEOPLE ACCESSED
improved or basic
sanitation services



50+



ENTREPRENEURS AND
SMALL ENTERPRISES
STRENGTHENED
to provide water and
sanitation products and
services



318,850

PEOPLE RECEIVED
improved or basic
water services



9

WATER AND SANITATION
NATIONAL AND SUB-
NATIONAL INSTITUTIONS
increased cost recovery
and strengthened planning
and management systems
and capacity



75,000

PEOPLE ACCESSED
IMPROVED, SAFER
SANITATION



2



FECAL SLUDGE
MANAGEMENT FACILITIES
operationalized in the
districts of Fondfrede and
Morne Cabrit, preventing
human biowaste from
polluting drinking water
sources

7 AFFORDABLE AND CLEAN ENERGY



NEPAL

CATALYZING RENEWABLE ENERGY INVESTMENT

The imported petroleum products and cooking fuels—solid biomass and liquid petroleum gas—that dominate Nepal's energy mix are a drain on the economy and harmful to health and the environment. The Government of Nepal has committed to replacing such fuels with indigenous hydro, solar, and renewable biomass resources, and has promoted decentralized hydroelectricity and solar systems in rural areas where the national grid is either absent or weak.

However, a lack of appropriate and sustainable financing mechanisms and an over-reliance on costly subsidies has hindered the growth of the country's nascent clean energy sector and stifled competition.

The **Nepal Renewable Energy Program** is a Government of Nepal program supported by the FCDO that aims to boost sustainable energy development by creating an enabling environment for private investment leveraged by public funding. The program's Sustainable Energy Challenge Fund (SECF) provides financial and technical assistance to distributed renewable energy projects that demonstrate economic viability.

The SECF is proving instrumental in moving Nepal from a subsidy-based model to a market-led approach. By the end of 2022, 13 private sector-led or public-private projects had won SECF support, and 11 are underway. Once these projects are fully implemented, 60,500 households will switch to electric cooking, 85 enterprises will have access to clean energy, and 2 solar PV projects will enhance the electricity supply of 2 industrial and commercial buildings.

IMPACT



60,500 HOUSEHOLDS
enabled to transition to electric stoves

85

BUSINESSES
afforded access
to clean energy



1,762^t

EQUIVALENT OF CO₂
EMISSIONS REDUCED



53,603

PEOPLE
BENEFITED



MOROCCO

FINANCING GREEN ECONOMY AND CLEAN ENERGY LENDING

With support from the European Union and the Green Climate Fund, the European Bank for Reconstruction and Development (EBRD) is working to support Morocco's National Sustainable Development Strategy, which is building a greener and more inclusive economy. One of the ways it does this is through the **Green Economy Financing Facility Morocco II** (GEFF Morocco II), implemented by DAI.

GEFF Morocco II oversees a €163 million credit facility that supports loan financing to participating financial institutions. These loans finance private sector sub-borrowers (small firms, corporates, and households) seeking to invest in green technologies and services supporting green economy concepts, such as energy efficiency.

Launched in 2021, GEFF Morocco II has partnership agreements with six financial intermediaries, several of which have participated in other EBRD facilities in Morocco, such as the Morocco Sustainable Energy Financing Facility and the ongoing Green Value Chain programme, both also implemented by DAI.

IMPACT



€11.2M

DISBURSED TO INVEST
IN 16 GREEN ECONOMY
and energy efficiency
projects



3

GIGAWATT HOURS
ANNUALLY SAVED
by projects financed
since July 2021



€103.9M

REPRESENTING
119 PROJECTS
in the pipeline



19,000^t

OF CO2 EMISSIONS
REDUCED,
equivalent to the energy use
of 2,500 homes for one year



8 DECENT WORK AND ECONOMIC GROWTH



GEORGIA

CATALYZING NEW AND OLD SECTORS FOR INCLUSIVE GROWTH

Georgia—which sits at the crossroads of Asia and Europe on an enviable trading and transit route—has great potential for economic growth and many industry sectors ripe for upgrading. USAID’s **Economic Security Program** is assisting Georgian firms to take advantage of the country’s market access and location to exploit regional economic opportunities and take on international competitors for Georgia’s domestic market.

DAI is building the competitiveness of key sectors to generate high-value employment, open up investment opportunities, and boost sales and revenue for Georgian companies. Ultimately, the objective is to accelerate Georgia’s transition to an innovation- and knowledge-based economy. To date, the program has facilitated the creation of more than 2,000 high-value jobs in sectors such as the creative industries, light manufacturing, tourism, shared intellectual services, and solid waste management. Partnerships with major global corporations, such as one with Mastercard, will help achieve specific development goals in terms of e-commerce and digitalization, as well build the overall visibility for Georgia as it positions itself in the global knowledge economy.

In 2022, the program’s success was recognized when it was shortlisted for an **Emerging Europe** award for inclusive entrepreneurship, winning praise for “unlocking regional economic opportunities for Georgia while supporting the development of enterprises and job creation through smart incentives.”

IMPACT

28

PARTNERSHIPS CREATED

\$31.7M

OF INCREASED SALES
BY SMALL FIRMS

NEW LOCAL
VENTURE CAPITAL FUND
launched by a major local
investor and the Ministry of
Economy and Sustainable
Development to support
innovation

2,042

HIGH-VALUE JOBS
CREATED



700

JOBS
in the pipeline via the
creation of the SkillWill
Academy

785,000

PEOPLE ENGAGED
in a digital tourism
campaign

100+

GEORGIAN ARTISANS
now selling on global
e-commerce platform Etsy





MOBILIZING CAPITAL FOR PRODUCTIVE INVESTMENT

The **USAID INVEST** project mobilizes private capital to support sustainable development. Implemented by DAI, INVEST manages the large and growing Finance and Investment Network, through which USAID can access partners with expertise in investment assessments, fund structuring, transaction advisory services, and technical assistance.

As of December 2022, INVEST had mobilized \$488.8 million in capital and supported 175 transactions. An additional \$1.2 billion is being sought through additional capital raise efforts. INVEST's impact closely aligns with many of the Sustainable Development Goals, including SDG 9.

For example, the Kenya Pension Fund Investment Consortium—launched by INVEST and its partners—enables Kenyan pension funds to invest in Kenyan infrastructure collaboratively for the first time. One of its first transactions was a \$17 million bond to finance a Kenyan road project. INVEST is also advancing renewable energy innovations. In Vietnam, for example, the project works to advance ocean wave energy, providing technical assistance to navigate regulatory and environmental hurdles. In conflict-affected areas in rural Colombia, a blended finance vehicle is financing the development of solar mini-grid and productivity hubs. The hubs increase energy capacity, make services more affordable, and increase productivity and social welfare among target populations, as well as reducing CO2 emissions and mitigating the effects of climate change.

IMPACT

\$488.8M

MOBILIZED



55%

OF MOBILIZED CAPITAL
INVESTED IN FIRMS
IN AFRICA and funds
targeting Africa



\$107.7M

INVESTED IN
CLEAN ENERGY
with hundreds of millions
more in the pipeline

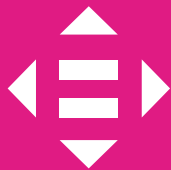
175

TRANSACTIONS,
including 111 closed
transactions



THE USAID FINANCE AND INVESTMENT
NETWORK GREW FROM 26 TO 532 MEMBERS,
WORKING IN 195 COUNTRIES

10 REDUCED INEQUALITIES



ETHIOPIA

BUILDING ECONOMIC RESILIENCE FOR REFUGEE POPULATIONS

In the context of long-term displacement, refugees and host communities often struggle to access or build sustainable livelihoods. Refugees confront legal challenges, often lack social and economic rights, and face perceptions that they are high-risk customers, borrowers, or vendors, which leaves potential private sector partners unwilling to engage. Meanwhile, host communities often lack basic services yet are typically excluded from assistance offered by the aid sector.

The FCDO's **Strengthening Host and Refugee Populations in Ethiopia** (SHARPE) project develops private-public partnerships to make markets more inclusive for refugees and host communities, enabling them to become more economically resilient. Working in Jijiga, Dollo Ado, and Gambella regions, it seeks to change how donors, governments, and the private sector respond to protracted refugee contexts, focusing on access to finance, agri-businesses, and energy.

Strengthening businesses in these communities has meant linking small enterprises that show growth potential with markets and lead firms, and helping them to invest in their products, services, and distribution networks. SHARPE is co-investing with 106 business partners to stimulate their expansion and innovation. To date, project-supported businesses have made more than £30 million in additional sales and some 105,836 enterprises and households have generated an increased income of almost £7.5 million.

IMPACT



£1.2M

LEVERAGED
from market actors for
investment in refugee-
hosting areas

8,700

**BUSINESS LINKAGES
FORGED**



89,600

**PEOPLE
BENEFITED**
through increased income,
employment, savings, or
liquid assets



£30M

IN ADDITIONAL SALES
achieved through SHARPE-
supported business
models



100,000+

**REFUGEES AND HOST
COMMUNITY INDIVIDUALS**
increased their enterprise
or household performance





ASIA

ASSISTING CITIES TO ACHIEVE THEIR CLIMATE AMBITIONS

To strengthen the role of cities on the international scene and provide practical tools for effective climate action, DAI leads the **EU Support to the National and Regional Covenants of the Global Covenant of Mayors for Climate and Energy in Asia**. The European Union-funded project serves as the regional chapter of the broader urban alliance, the Global Covenant of Mayors for Climate and Energy (GCoM). Our support to the GCoM in East Asia, South Asia, and Southeast Asia helps signatory cities make headway on their commitments and encourages urban stakeholders to join the GCoM alliance, in pursuit of a shared vision for a resilient and low-emission future.

More than 229 Asian cities have confirmed their commitment within GCoM to pursue more ambitious climate action. We are translating that commitment into concrete Climate Action Plans (CAPs). In Malaysia, we finalised four CAPs by the end of 2022. Four more will be completed in each of Vietnam and Indonesia by the end of March 2023, followed with four CAPs in Thailand and five in India by November 2023.

The latest 2022 data analysis shows that the estimated emissions' reductions of GCoM Asia cities are equivalent to 284 million metric tonnes of CO₂. This figure is an estimation of emissions reductions that will be achieved by 2030, compared to 2030 "business as usual" projections. DAI helped these cities calculate their emissions inventory (using 2019 baseline data), understand their highest-emissions sectors, identify relevant actions to cut emissions, and establish the target for emissions reduction. This reduction is equivalent to removing almost 60 million cars from the road in one year.

IMPACT

229

ASIAN CITIES
committed to more
ambitious climate action



**FOUR MORE CLIMATE
PLANS IN THAILAND
AND FIVE IN INDIA IN
PROCESS**



12

CLIMATE ACTION PLANS
—in Malaysia, Vietnam,
and Indonesia—finalized
by March 2023



1,000+

**OFFICIALS FROM
ASIAN CITIES
TRAINED
in 23 hands-on
sessions**



GREENING INDUSTRIAL GROWTH

Türkiye's economic growth since 2000 has led to increased employment and income, but also increased pollution, energy use, water consumption, and waste accumulation.

The European Union's **Determination of Industrial Emissions Strategy in Accordance with Integrated Pollution Prevention and Control (IPPC)** project is supporting Türkiye's efforts to establish effective industrial pollution control and raise awareness about air pollution issues. The IPPC approach is aligned with the recommendations of the United Nations Environment Programme, which aims to reduce industrial pollution and promote the adoption of sustainable waste management practices that minimize the adverse impacts of pollution on human health and the environment.

Ultimately, Türkiye is working toward an environmental management approach that prevents and controls air, water, and soil pollution from industrial activities, and promotes the use of best available techniques in accordance with agreed international frameworks.

Our team is working to increase the technical and institutional capacity of the relevant authorities in Türkiye—notably, the Ministry of Environment, Urbanization and Climate Change—in order to effectively implement IPPC in line with the EU Industrial Emissions Directive. Since 2020, we have led extensive capacity building activities, facilitated a green transformation seminar for hundreds of industry and government stakeholders, and organized workshops to help develop Türkiye's National Action Plan for IPPC and harmonize the new national legislation with EU guidelines.

IMPACT

17

**WORKSHOPS
ORGANIZED**
to harmonize national
legislation with EU
directives on industrial
emissions and IPCC



**KEY STRATEGY
DOCUMENT DEVELOPED**
to support National Action
Plan implementation

800

**INDUSTRY, MINISTRY,
AND RELATED
STAKEHOLDERS
ENGAGED**
in a green transformation
awareness seminar

3

**TRAINING-OF-TRAINER
SESSIONS DEVELOPED
FOR CIVIL SERVANTS**





VIETNAM

FACILITATING CLEAN ENERGY INVESTMENT

Vietnam is one of the fastest-growing economies in Southeast Asia, but its impressive record of economic growth and poverty reduction over the past two decades comes with a downside: rapid urbanization and industrialization are increasing energy demand in Vietnam's cities, putting pressure on energy security and the environment. The country has been a net energy importer since 2015 and has increased its reliance on coal, which is contributing to air pollution and resulting in around 60,000 deaths per year. Vietnam is among the five countries most vulnerable to climate change.

The Vietnamese government sees that the country needs cleaner, more reliable energy sources and greater capital investment to develop them. The USAID **Vietnam Urban Energy Security** (VUES) project is working closely with the government at all levels on legislation to advance clean energy, mobilize investment, and increase the deployment of innovative energy solutions. The project works particularly closely with the administrations of Danang and Ho Chi Minh, cities with a combined population of around 10.1 million.

VUES is working to harmonize national strategies, policies, and regulations that encourage the deployment of cost-effective clean energy. This includes drafting regulations and standards for electric vehicle charging, facilitating technical exchanges, and supporting the development of net-zero emission action plans. The project works with the government, private enterprises, and financial institutions to facilitate the deployment of 400 megawatts of renewable energy generation and energy efficiency gains. It also aims to mobilize \$600 million in new investment to overcome major challenges in clean energy financing by building innovative partnerships.

IMPACT

20



INNOVATIVE SOLUTIONS
demonstrated to address
energy and environment
issues

2



CITIES
SUPPORTED TO
DEVELOP CLEAN
ENERGY ACTION PLANS
to reduce carbon
emissions to zero by 2050

10.1M



**CITIZENS POTENTIALLY
BENEFITED**
from the support provided
to two cities to provide
cleaner energy and energy
efficiency options

Working with
eight Vietnamese
financial
institutions
to mobilize



\$600M

**FOR ADVANCED URBAN
ENERGY SYSTEMS**

Supporting Vulnerable Countries to Influence Global Climate Action

Negotiators from the most climate-vulnerable countries often have limited resources and access to the information and legal advice they need to advance their interests at global climate talks.

In 2022, DAI was commissioned to assist the Alliance of Small Island States and the Least Developed Countries and members of the High Ambition Coalition in their international climate negotiations. Funded by the U.K. Government's Department for Business, Energy, and Industrial Strategy, the **Climate Ambition Support Alliance Phase 2 (CASA2)** provides negotiators with legal, technical, strategic, diplomatic, and media support. DAI is assisting partner countries in negotiations related to climate finance, loss and damage, carbon markets, adaptation, and implementation in line with the Paris Agreement and Glasgow Pact.





VIETNAM

PROTECTING HABITATS AND LIVELIHOODS THROUGH SUSTAINABLE FOREST MANAGEMENT

Vietnam is severely affected by climate change and in recent years has suffered frequent natural disasters that have damaged land, livelihoods, and the economy. The country depends heavily on its forests for resources, but this has led to degradation and encroachment that reduce the forests' ability to mitigate disaster risks, sequester carbon, and provide habitat for wildlife.

At the same time, limitations on land ownership, access to markets, and high-quality seed varieties hamper people's ability to manage their forests effectively or derive additional benefits from doing so. USAID's **Sustainable Forest Management** project is tackling these issues through a "Green Prosperity" approach that strengthens local communities' ability to protect their natural resource base and reduce emissions while building a solid foundation for them to pursue sustainable livelihoods and equitable economic growth.

The project works across seven provinces to strengthen community forest management models. DAI is also providing technical assistance and tools to communities to equip them to participate as effective government counterparts in improved natural production forest management.

IMPACT

44



ORGANIZATIONS' CAPACITY BUILT

including 22 government agencies, 8 conservation-friendly enterprises, and 14 community organizations



17,500

PEOPLE TRAINED IN community forest management, value chain development, law enforcement, sustainable forest management, and monitoring Payment for Ecosystems Services

\$10M



INVESTMENT MOBILIZED from government and the private sector

29



POLICIES DEVELOPED

—5 national, 17 subnational, 7 community level





GUYANA

OUR FUTURE FORESTS: WORKING WITH CONSERVATION INTERNATIONAL

With support from the Government of France, Conservation International Guyana is implementing a project called **Our Future Forests—Amazonia Verde**, which supports indigenous peoples and local communities as stewards of the Amazon Forest, providing them with the tools, training, and financing needed to manage their lands and support conservation of the Amazon.

DAI assessed a proposed mechanism that could provide financial and technical support to improve livelihoods opportunities for local people and, in turn, incentivize the conservation of Guyana's natural capital. The project aims to provide Conservation International with a deeper understanding of the environmental and economic dynamics in which the prospective mechanism would operate, thereby informing its design.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



MEXICO

REDUCING IMPUNITY AND BUILDING FAITH IN THE JUSTICE SYSTEM

The Government of Mexico has introduced major reforms to improve the effectiveness, transparency, accessibility, and fairness of its criminal justice system. However, implementation of reforms at the state level has been slow—undermining citizen confidence in the government and the legitimacy of the justice system. Some Mexican states, however, have shown a commitment to advancing the justice reform process and are eager to deepen trust in their state-level institutions. Seizing this opportunity to work with those states, USAID launched its **Programa para el Fortalecimiento de Institution's de Justicia Penal Estatal (ConJusticia)** in 2020.

In just two years—despite the challenges posed by the COVID-19 pandemic—the project team and its local partners have advanced the case for justice reform significantly in four states.



Engaging Young People in Nigeria's Electoral Process

DAI's EU-funded **Democratic Governance in Nigeria Phase II** project is energizing Nigeria's massive population of young and vulnerable people to participate more in elections. In June 2022, the team organized two mega concerts in Lagos and Abjua, registering more than 28,000 young people for permanent voter cards. The team also is training the Independent National Electoral Commission, the Judiciary, security agents, and other relevant stakeholders on how to recognize election offences. To help would-be voters figure out where to vote, we have compiled the GPS coordinates of all polling stations in Nigeria—a staggering 175,000 in all. By 2027, the project aims to strengthen legal reforms and other initiatives to ensure the inclusion of women, youth, and marginalized groups in Nigeria's politics, political parties, and political leadership.

PHOTOS COURTESY: DEMOCRATIC GOVERNANCE IN NIGERIA PHASE II

IMPACT

100+



PEOPLE

from academia, the private sector, and civil society helped to implement new criminal prosecution policies in four states

5,509



CASES UNDER ATTORNEY GENERAL OFFICES

received assistance to strengthen investigation skills

227



STATE JUSTICE SYSTEM EMPLOYEES

trained in strategic criminal prosecution



76

TOOLS AND SYSTEMS ADOPTED BY CRIMINAL JUSTICE INSTITUTIONS

that improved caseload distribution, data and information management, and resource allocation



63

SECURITY PLANS DEVELOPED

to protect gender-based violence victims from possible violence on the part of aggressors while their cases are being processed



4,925

CRIMINAL CASES

solved with project assistance



185

CASES OF GENDER-BASED VIOLENCE ASSISTED



1,184%

INCREASE IN REPARATIONS TO VICTIMS OF HOME ROBBERY



BOLSTERING DOMESTIC REVENUES

While financing the SDGs will require mobilizing private and international finance, most funding for development comes **domestically from developing countries** themselves. Through its Domestic Resource Mobilization (DRM) Project in El Salvador, USAID is improving voluntary tax compliance, upgrading tax collection capacity, and enhancing the e-filing system, among other initiatives, while promoting a comprehensive approach to audits and case management.

Since 2017, USAID has invested several million dollars in supporting El Salvador's tax performance, and that investment has paid off many times over. USAID's support helped El Salvador reap an additional \$1 billion (or 2.5 percent of GDP) between 2017 and 2021. And while the COVID-19 pandemic put the brakes on economic growth in 2020, continued USAID support helped to keep the upward trend in tax revenues (see Figure 1).

Rapid revenue growth allowed the Government to achieve a faster recovery of formal employment in the early post-quarantine period. By January 2021, public sector employment was already up 3.6 percent compared to January 2020, while private employment was still down 5.2 percent. The rapid recovery of public employment and demand for goods and services allowed for a faster recovery of household consumption, and thus economic growth. Crucially, social spending—on health, education, and social protection—has grown from 9.4 percent of GDP in 2019 to 11.7 percent in 2021 (Figure 2).

To ensure that greater revenue mobilization creates the most public value possible, USAID continues to assist the Government of El Salvador to modernize its public financial management system, including by reforming its budget and treasury systems, adopting International Public Sector Accounting Standards, deploying a state-of-the-art government financial information system, developing a fully transactional e-procurement system, and enhancing fiscal transparency.

IMPACT

\$1B

IN ADDITIONAL
REVENUE over five
years as a result of
USAID assistance



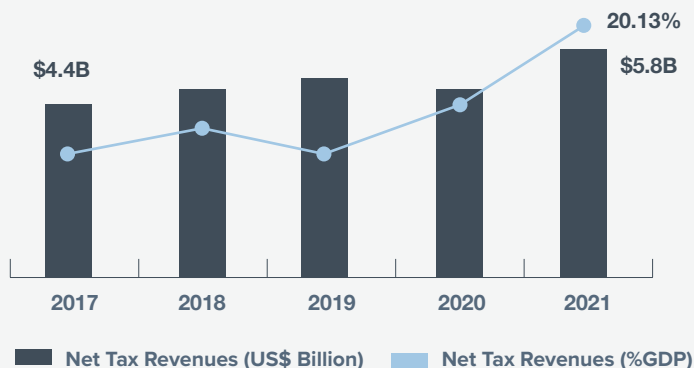
11.7%

OF GDP COMMITTED
TO SOCIAL SPENDING
in 2021 —up from 9.1%
in 2017

COVID RECOVERY
FACILITATED
by enhanced spending
capacity

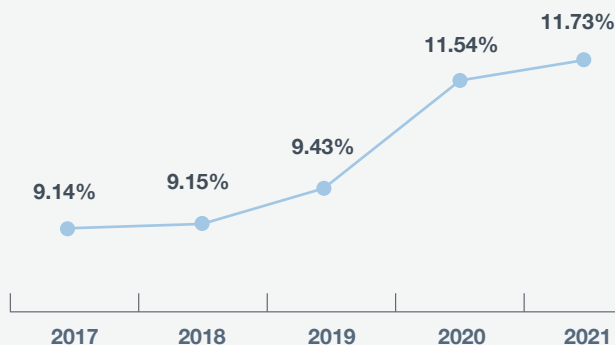
EL SALVADOR NET TAX REVENUES

Figure 1



PUBLIC SOCIAL SPENDING (%GDP)

Figure 2



SHAPING A MORE LIVABLE WORLD.



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