

A Report of the CSIS Project on U.S. Leadership in Development

Global Development Monitor

A Changing World

Editor

CONOR M. SAVOY



CSIS

CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

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Acknowledgments

This is the inaugural issue of the [Global Development Monitor](#), an annual publication that will complement the [Global Development Forum](#) that [launched last year](#). Through this we hope to highlight emerging opportunities and challenges in international development, a field that nearly all agree is changing rapidly. Demographics, wealth distribution, commodity prices, health, natural disasters, rising powers, trade and investment flows, and a host of other issues mean that development has moved from where it was just 15 years ago. Our hope is that this publication will help to generate debate and actionable recommendations for U.S. and international policy makers.

Several people were helpful in assembling this publication. First, and foremost, the authors who graciously took time to submit articles were critical. Second, several staff members of the Project on U.S Leadership in Development were instrumental in helping to track down articles and provide editorial support. These include Christina Perkins, Helen Moser, Charles Rice, and Erin Nealer—all dedicated young professionals without whom this would not have been possible. Our talented interns, Moises Rendon, Ryan Lasnick, Amy Chang, and William Kabagambe, provided support when called upon. Dan Runde, the director of the Project on U.S. Leadership in Development, shaped the initial vision of the [Global Development Monitor](#) and provided support throughout the drafting and editing process.

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INTRODUCTION



Reflections on Development and Security

General John F. Kelly (USMC Ret.)

Little of my time spent leading U.S. Southern Command (SOUTHCOM) involved traditional military operations. The key question I confronted—and the key question that faces so many military and defense leaders today—was how do we help develop capable, accountable governments and economic opportunities in unstable countries? It's a daunting challenge and one that requires the full resources and capabilities of the U.S. government, civil society, and the private sector.

Many of the greatest security threats facing the United States today are the result of transnational networks and organizations that have been able to thrive in countries with weak government institutions and little economic opportunity. Mitigating these complex threats requires a whole-of-government approach that extends beyond military force. Success will depend upon a broadened conception of our strategic interests; as Americans, we must recognize that our own security and prosperity are directly tied to the fortunes of citizens of other countries.

As the commander of SOUTHCOM, I worked with a wide range of military and civilian actors, including a robust human-rights team, to address threats related to narcotics trafficking and its toxic effect on the societies it permeates. The criminal networks supporting the drug trade are extremely established and sophisticated, capable of transporting drugs, migrants, weapons, and criminal terrorists across the U.S. border. Drug trafficking has a clear and direct effect on U.S. citizens: drugs are responsible for approximately 46,000 deaths in the United States each year and cost U.S. taxpayers more than \$200 billion annually. Drug trafficking also provides cartels with upwards of \$85 billion in profit per year, money that has been used to fuel the degradation of social, economic, and political systems in countries throughout the Americas.

In the summer of 2014, deteriorating security and economic conditions in the Northern Triangle countries—El Salvador, Guatemala, and Honduras—were thrust into headlines when 70,000

unaccompanied child migrants poured across the U.S. border. Families made the heart-wrenching decision to send their children on a dangerous journey across thousands of miles because they could no longer see a future for them in their country of birth. Broken institutions, corrupt government officials, and weak rule of law in the Northern Triangle countries provided fertile ground for drug networks and led to a refugee crisis in the United States.

We need to sharpen the tools we have that address countries with fragile social and economic conditions, and then deploy these assets in a strategic manner. Our responses must rely upon the full range of American power—economic, political, military, and social—to foster prosperity, security, and social development in the way that military intervention alone cannot. Strengthening individuals and communities through programs that improve their health, personal security, and ability to earn a living provides the basis for national stability and prosperity.

In the 1990s, Colombia faced endemic threats from narcotics trafficking and verged on becoming a failed state. In response, the Clinton and Pastrana administrations put forward Plan Colombia, an effort to establish social, political, and economic stability. Since then, Colombia has undergone sustained economic growth and has become a key U.S. partner in Latin America. While many individuals and entities played a part in the success of Plan Colombia, significant gains were possible due only to true partnership and investment from the Colombian people.

Today, Honduras, Guatemala, and El Salvador are seeking to replicate Colombia's success with their own regional development program: the Alliance for Prosperity. The Alliance aims to create economic opportunities, improve public safety and access to the legal system, and strengthen institutions and trust across the region. The presidents of each country took a personal stake in

designing the program, which will be spearheaded by the Inter-American Development Bank. Operationalizing the Alliance will require continued commitment from the host governments, support from the full U.S. interagency system and multilateral organizations, and partnership with dynamic private-sector actors.

While the scope of challenges facing the United States is broad, we should remain optimistic about our position and influence in the global system. Countries around the world want a deeper partnership with the United States, including access to American products and business linkages with our innovative private sector. Through continued engagement with the full toolkit of American resources, we can empower countries to take charge of their own security, protect the human rights of their people, and build a better and more prosperous future. This process starts when we listen to the needs and aspirations of our partners around the world and ask them what we can do together.

The pieces that follow in this publication, whether on food security, economic development, or human rights, discuss the diverse tools that we, as Americans, must leverage in order to promote security and prosperity around the world.●

Reforming the Multilateral Development Banks

Daniel F. Runde and Conor M. Savoy

Given the dramatic shifts in international development, there is a need for a major review of how multilateral development banks (MDBs) approach development finance or they will risk irrelevancy. Developing countries have changed rapidly, but official development institutions have not changed quickly enough to meet the new realities on the ground. Compared to 50, 30, or 20 years ago, many developing countries are now freer, wealthier, healthier, and more capable of running their own affairs. However, “traditional donors” have not kept pace and continue to operate on assumptions, processes, personnel practices and business models more than 50 years old. This is especially true of the MDBs.

Traditional donor countries continue to face lingering economic and political challenges from the Global Financial Crisis of 2008–2009 that will make major increases in official development assistance (ODA) almost impossible. Private investment, sourced locally and from abroad, once a small percentage of financial flows to develop-

ing countries, now represents the vast majority. “New donors” (e.g., China) are emerging with a different set of rules, values, and priorities that directly challenge the Western foreign assistance model. Meanwhile, the (changing) needs of developing countries remain staggering: it is estimated that an annual investment of approximately \$1.5 trillion is needed to meet the Sustainable Development Goals (SDGs) by 2030. There is no way that the \$136 billion of annual ODA will achieve these goals. Other funding sources including tax resources within societies, local and global capital markets, foreign direct investment, actors such as China, and remittances are the future.

SOURCES OF FINANCING

In 1960, 70 percent of all U.S. capital flows were some form of public assistance; by 2014 that figure had dropped to nine percent. Ninety percent of all U.S. capital flows are now private: foreign direct investment, remittances, philanthropy, and other private sources. Looking at private investment, in

2000 emerging market economies attracted only 4 percent of global flows. By 2014, flows to emerging market economies increased to \$681 billion and represented 55 percent of global foreign direct investment (FDI). At a regional level, Africa received \$54 billion in FDI in 2014, up from just \$7.5 billion in 2000. In contrast, official development assistance is approximately \$136 billion per year (\$80 billion in 2000) and unlikely to increase given global political and economic trends.

The MDBs—the World Bank and the four regional development banks—remain a large pool of development capital. These entities are specifically designed to achieve development outcomes through the use of a blend of concessional loans, grants, and other forms of technical assistance. The World Bank alone provides over \$60 billion per year. The World Bank’s private-sector arm, the International Finance Corporation (IFC), provided investments of over \$18 billion in 2014 representing 30 percent of all World Bank commitments. Unlike bilateral donors that are fre-

quently constrained by how they spend public resources, the MDBs are specifically designed as banks that can lend to sovereign governments. Yet, they frequently operate under far more conservative financial management than commercial banks, and often avoid operating in fragile or conflict-afflicted states—countries least likely to receive private investment.

Another source of finance is developing countries’ own resources. Domestic resource mobilization—a government’s ability to raise taxes and other revenues—is an emerging area of focus for international development. The figures here are truly staggering: developing countries (excluding China) collected just over \$3 trillion in taxes and revenues in 2014. In sub-Saharan Africa, taxes collected rose from \$100 billion per year in 2000 to over \$530 billion in 2013 (last year figures are available). To be sure, this growth is the result of the commodities boom, but it is also reflective of wealthier populations and improved tax collection and public financial management.

Rhetorically, donors do recognize these trends. Since 2002, the United Nations has hosted a semi-annual Financing for Development conference that has sought to identify new sources of, and create a framework for, development finance. The first conference was held in the wake of the adoption of the Millennium Development Goals with an emphasis on raising additional ODA from donors, though there were passing references to emerging sources of private finance. In July 2015, the United Nations hosted the Third Financing for Development conference in Addis Ababa. The resulting document was substantially different, focusing on domestic public resources, private business and finance, and international trade. Aid was highlighted as the catalyst for attracting or increasing these other sources of development finance. The instruments necessary to do so remain lacking in spite of the rhetoric.

RETHINKING DEVELOPMENT FINANCE

The MDBs, in particular, have struggled to recognize the changing landscape described above. As international organizations they are designed to work at the government-to-government level, and struggle to work more closely with the private sector. Developing countries are also increasingly clear that they do not want the type of aid on offer as witnessed by the enthusiastic participation in the Chinese-led Asia Infrastructure Investment Bank. Foreign assistance remains a supply-side proposition, meeting the ideological predilections of the donors far more than the recipient countries. Developing countries' governments are looking for a more balanced mix of leveraging private investment and domestic capacity building that will lead to sustained economic growth.

Other countries see the opportunities that exist and are responding. In May 2015, the Chinese government announced the formation of the Asian Infrastructure Investment Bank (AIIB). Infrastructure remains a sector of chronic underinvestment (estimates are in the trillions of dollars)

often undervalued by traditional donors. When the MDBs do fund projects, they must meet a stringent set of environment, social, and governance standards that frequently delay the implementation. If the MDBs cannot rise to the challenge and change their programming and structure to meet the demand for investment, new players such as the AIIB are ready and willing to adapt and accept the MDBs' unhappy customers.

“LEVERAGE MOMENTS” OVER THE HORIZON

International development is at an inflection point. The existing international aid system can continue to muddle along as it is with minimal changes around the edges and risk irrelevance, or shareholders can undertake a major review of how the MDBs approach and support development. There are several important moments to influence the discussion:

1. The term of the current president of the World Bank, Jim Kim, comes to an end in July 2017 and a new president would have to be announced by March 2017.
2. The World Bank is currently seeking additional funds from wealthy countries to replenish the International Development Association (IDA)—the arm that supports lower-income countries.
3. The 2016 U.S. presidential election.

These leverage points present the opportunity to initiate a top-to-bottom review of the World Bank and the regional development banks. Without such a process, these institutions—created and nurtured by the United States over the past 70 years—will become increasingly irrelevant to poverty eradication and economic growth in developing countries. This will require greater attention to work in fragile and conflict states, more support for private-sector development, infrastructure financing, and an overhaul of internal processes and regulations. ●



Photo by Daniel Berehulak/Getty Images



PART I: THE NEXT ADMINISTRATION

Development Priorities for a New Administration

Alex Thier

There are profound forces reshaping development today. How development is financed and measured, the demand for good governance and citizen accountability, the rise of the bottom billion, and our goals for the future have all shifted dramatically. As a result, international development institutions are midway through their biggest transformation since the founding of the modern foreign aid complex. It is, therefore, the job of the next president to deepen the change and make it lasting in order to secure three fundamental freedoms for everyone: freedom from extreme poverty, freedom from violence, and freedom from oppression.

The continued, rapid globalization of information, communication, finance, transport, and values (such as gender equality) are changing almost every aspect of how we work, how we communicate, and with whom we partner. A generation of unprecedented progress in eradicating extreme poverty, extending life expectancy, and reducing hunger has made us understand that phenomenal progress is possible,

everywhere. At the same time, super-storms, superbugs, extremists, and kleptocrats require greater cooperation and innovation than ever. It has never been more apparent that development progress is both a moral imperative and a national security objective.

THREE SHIFTS

To harness all the power of the American people and our partners, the next administration must double-down on three fundamental shifts. First, it's the economy, stupid. We know that the only sustainable path to creating fiscal self-reliance for individuals and countries is through inclusive economic growth that brings everyone into the economy—women, youth, and excluded minorities—and that does so without destroying the planet. We must expand and deepen our investment in the things that we know work, and that are necessary, to create jobs and growth: access to energy and credit, increases in productivity and efficiency, and an enabling environment and local private sector geared to succeed. These things are not done well in isolation, and the resources required far outstrip the means of any actor—public or private—requiring integrated strategies that all partners can join.

This effort must devote special focus to women's economic empowerment: undoubtedly the highest bang-for-the-buck investment out there. The last generation has seen critical progress in health and education for women and girls. These are necessary, but not sufficient gains for societies to enjoy the true benefits of having half their population on the field. Getting women into the economy, fully woven into the political, social, and economic fabric of society, is when the exponential gains in income, productivity, health, nutrition, education, and industry for both men and women are realized.

Second, the only path is through effective, accountable local institutions. Local ownership

is the one iron law of development. And local ownership requires inclusive, competent institutions inside and outside government. The single-most-salient factor that separates countries that are succeeding from those that are failing is governance. Therefore attention to institutions—their legitimacy, capacity, and performance—must suffuse our entire strategy. Whether it is health, education, energy, agriculture, disaster preparedness, the sustainability of development gains in every sector depends upon the institutions and systems built, and not just the immediate objectives accomplished.

The biggest credibility gap that development investment faces is not with the delivery of short-term objectives, but rather the long-term sustainability. Indeed, the move toward economic self-sufficiency through increased mobilization and utilization of domestic resources in developing countries is perhaps the most important step forward of all. Countries that mobilize their own resources not only gain resources, but increase the citizen-state accountability at the core of the social contract. That is the true foundation for lasting progress.

Third, we need to take risks, backed by more evidence and more partners. There are big challenges on the horizon—failed states, climate change, disease outbreaks—that will be solved only by collective action that assesses and embraces risk. We simply will not conquer high-risk problems with low-risk solutions. It is often said that 1 in 10 startups succeed in Silicon Valley. But in Washington, 1 failure in 10 triggers an investigation. What do we do about the next president facing the conundrum of a high-risk world and an obsessive oversight culture that discourages risk at every turn?

There is a grand bargain to be made that gives license for greater risk and flexibility in exchange for greater and more transparent use of evidence. This means greater allowance for where and how funds will be used, based on planning,

baseline studies, stakeholder buy-in, and clear objectives. It also means a long-overdue overhaul of the needlessly slow and onerous procurement system. For these enabling shifts, there will be a transparent accounting of the goals reached and missed, and proof that the critical lessons learned are being incorporated into future efforts that demonstrate improvement. These changes will, in turn, allow the United States to bring in more partners, especially from the private sector, which will in turn boost the resources, expertise, and innovative know-how available.

THE BEST AND THE WORST

Taken together, these three shifts are driving us toward what may prove humanity's singular achievement: the eradication of extreme poverty. Some deride this as unobtainable (“there will always be extreme poverty”), others as too modest, or too narrow (“what about all the other poor?”). But this goal is profound. The principle that no person on the planet should live without the essential ingredients—enough food, health, education, employment, and freedom to live a life of basic human dignity—is at the core of every enduring belief system. But we have never lived up to those values.

Today there is a global movement assembling around this new top global goal. What makes this campaign so powerful is that it brings together multiple well-developed coalitions to achieve a clear, measurable, and achievable goal. And in the accomplishment of this goal, we are forced to create the systems, political will, resources, inclusiveness, and vision that will propel us to success on our other great goals: fighting climate change, preserving biodiversity, ending slavery, and preventing violent conflict. For better or worse, the next U.S. president will make decisions that could determine the success or failure of this effort.

But a lurking menace, as old as nations themselves, lies beneath the shallow surface of prog-

ress: fragile states. Fragility has become the great cleavage, the most salient characteristic for determining whether human development in any given society will proceed, or falter. And the inequality between states will only become sharper as numerous previously impoverished countries continue to grow and lift their people, while others stumble. The United States devotes around 50 percent of its official development assistance to fragile states. This figure could well increase over time. The challenges posed by fragile states far surpass the costs to their citizens alone. The Ebola pandemic, ISIS's expansion, the global refugee and migration crises, atrocities in Sudan and South Sudan—all of these have deep impact on geopolitics, the global economy, and conscience.

The diplomatic, national security, humanitarian, and development responses are all necessary elements of a coherent strategy to address these challenges. In reality, U.S. and international coordination and effectiveness often lag behind what is needed. We must assess what works and why. New and creative approaches to risk, financing, and coordination are badly needed. We must also balance the use of our tools, and give voice in the interagency to those who understand root causes and the political economy of change. The path out of fragility is always paved, in great part, by the improvements in inclusion, economic well-being, and institutional capacity discussed above.

GETTING OUR HOUSE IN ORDER AND OUR PRIORITIES STRAIGHT

Finally, we must invest in our own capabilities. The next president will inherit a reinvigorated U.S. Agency for International Development (USAID), albeit one that still needs further political and fiscal juice to reach its potential. A better distribution of resources and mandates along the development-diplomacy continuum has just begun through two Quadrennial Diplomacy and Development Reviews. But we must go further by

better allocating and consolidating the resources and capacity of the complex and duplicative accounts and 20 U.S. government agencies that receive and expend foreign assistance. And we must prioritize the foundations of development in our diplomatic engagement. For example, reducing corruption and improving security are mutually reinforcing rather than conflicting goals. And we must calculate the true cost of inaction, as the rise of ISIS (and al-Qaeda before it), refugees from Syria, Ebola in West Africa, unaccompanied minors from Central America have all shown. Who would not back and invest more in prevention in all those cases given the choice?

All told, the development gains being made today are greater than at any time in history. The purpose of development assistance is not to accrue credit to or burnish the image of the good ol' USA. It is to further development by creating opportunity and dignity for those left behind, to create stronger government and society relations, and to respond to crises that are the foundation of democratic accountability. It is the impact of these gains themselves that benefits America, by making the world a place where our economy, security, and values thrive. That is what our next president needs to deliver for the American people.●

International Development Priorities for the Next Presidential Term: A GOP Perspective

John Simon

Despite common stereotypes, Republican administrations have a proud history of supporting international development. An analysis by the Center for Global Development of U.S. official development assistance (ODA) spending with regard to Africa indicated the political configuration most amenable to aid increases is a Republican president with a Republican Senate and Democratic House. Importantly, this analysis does not take into account the massive aid increases under the administration of George W. Bush or the significant development efforts of the Reagan administration in Central America. It may seem at odds with the position of the current presumptive GOP nominee, but past candidates have found the value of strong development agenda once in office. As a candidate, George W. Bush famously derided “nation building,” but then dedicated more resources to that effort than any other president since Harry Truman.

Republican administration’s contributed much more than just funding to international development. They have been among the most promi-

nent innovators in the development space. Under President Reagan, the United States made private-sector initiatives a major component of U.S. aid policy, which hitherto had been heavily government focused. Reagan used aid to encourage the opening of markets and the establishment of pro-market policies—what came to be known as the Washington Consensus. This much-maligned set of policy prescriptions ultimately helped much of the developing world advance into middle-income status, particularly in Latin America.

THE BUSHES’ LEGACY

President George H.W. Bush presided over the initiation of a major development effort to integrate the former Soviet Union and its satellites into the global economy. In so doing, his administration pioneered a mix of private and public engagement that utilized several facets of U.S. government and private-sector leverage. The success in the countries of Eastern Europe has been profound, though the results have been more mixed in the republics of the former Soviet Union.

Few presidents, Republic or Democratic, however, have had as broad or far-reaching an impact on international development as his son, George W. Bush. The Millennium Challenge Corporation (MCC) created a new model of aid delivery that tied significant increases in aid to measurable policy performance as verified by third-party monitors. The emphasis on measurable results was also at the heart of his major public health initiatives, the President's Emergency Plan for AIDS Relief, and the President's Malaria Initiative, which have saved millions of lives across sub-Saharan Africa. Other areas of emphasis included the Freedom Agenda, which ramped up democracy-promotion efforts globally; the \$60 billion Multilateral Debt Relief Initiative (MDRI), which sought to clean up the balance sheets of poor countries to give them access to global capital markets; and significant increases in trade capacity building tied to new Free Trade Agreements, which led to a new round of market openings in the developing world. As a result of all of these efforts, U.S. ODA more than doubled in real terms during the Bush presidency, and aid for Africa more than quadrupled. More to the point, the policy and development performance increased dramatically, particularly in Africa, with growth and investment rates several times those of the previous decades.

Importantly, the innovative approaches of all these presidents ultimately were adopted by their Democratic successors, solidifying a legacy of bipartisanship that persists in the international development realm, despite some notable disagreements largely around areas of reproductive health and population control. It is also interesting to see how the initiatives of one administration built on the other, with the private-sector orientation of the Reagan administration and the whole-of-government approach of the first Bush administration being incorporated into the initiatives of George W. Bush.

FUTURE INVESTMENTS

How should the next Republican president expand on this legacy? Thanks to the policy reforms emphasized by the MCC, the reduction in debt from MDRI, and the increased opportunities for trade, African and Least Developed Countries (LDCs) are now much more hospitable to investment than at any time in their history. In addition, due to the large increases in aid in the past decade, and the limits on public spending in the developed world going forward, the potential and returns from continued large increases in aid have diminished. Therefore, we need to place private investment at the core of our long-term efforts. Much of the developing world has now entered an era of investment-driven as opposed to aid-driven development. A discussion with any African or LDC head of state or government quickly confirms this fact. As Paul Kagame, president of Rwanda, wrote, "While helpful, aid has not delivered sustainable development. It is clear that trade and investment bring greater opportunity for wealth creation. Africa welcomes investment, from the east and west, north and south."

A focus on investment not only brings more resources to the table. It also creates feedback mechanisms to encourage continued positive policy performance. Failure to maintain progress in these areas will result in this key spigot for development resources being shut off, whereas advancing policy performance will multiply it several times. This has been the experience, both positively and negatively, in the BRIC (Brazil, Russia, India, and China) countries, which saw a major growth in investment as they became more market oriented. Some, such as Brazil and Russia, have now seen a retrenchment as their policy performance has deteriorated.

To make investment central to our aid strategy, we need to buttress our investment-promotion tools. The most significant of these is the Overseas Private Investment Corporation (OPIC), the

United States' Development Finance Institution (DFI). Unlike other countries' DFIs, OPIC is very restricted in the forms of support it can provide, with no ability to make equity investments or to provide technical assistance. The United States has other agencies that promote investment as well, including the U.S. Trade and Development Agency, which provides grants to assess the feasibility of investment projects, and the Development Credit Authority of USAID, which provides local currency guarantees to promote local banking markets. To have a robust arsenal of tools to promote development-oriented investment, these agencies should be combined into a U.S. Development Bank, which can deploy a multiplicity of methods to mobilize investment capital for development.

The United States should also leverage the various forms of investment interested in the developing world. This includes the investment of large U.S. and multinational companies, the traditional constituency of OPIC, but also investment from impact investors (who focus their investments on opportunities with the potential for social as well as financial returns), the diaspora (who have an interest in promoting the development of their home countries), and local investors (who often focus on relatively "safe" opportunities like real estate and government paper as opposed to more development-oriented opportunities). Providing risk-mitigation tools—guarantees, first loss capital, outcome payments—can unlock this capital and provide a demonstration effect that ultimately can lead to the much larger set of resources available from mainstream institutional investors: major asset managers, pension funds, and sovereign wealth funds. The investment needs of the developing world are massive (\$1.4 trillion annually for the next 10 years to reach the just-agreed Sustainable Development Goals by one estimate). But that is still only a fraction of what is available from the large-scale investment institutions that have tens of trillions of dollars under management.

With this focus on investment, the economic growth programs of the traditional aid agencies should be geared to support the efforts to mobilize investment capital with technical assistance for financial regulators, enterprises and fund managers, coinvestment, and guarantees. More and more, these efforts can be located in the MCC, leaving other areas of traditional strong competence for the United States—disaster relief, global health—as the primary focus of USAID.

The result will be an aid approach that can dramatically increase resources for development without increases in budgetary appropriations, promote pro-market reforms, and build a strong middle class in developing countries that is the best safeguard of social and economic development.●



DIBYANGSHU SARKAR/AFP/Getty Images



PART II: DEMOCRACY, HUMAN RIGHTS,
AND GOVERNANCE

Responding to the Challenges of Weak Governance and Limited Institutional Capability in Fragile States

James Michel

Fragile states have long presented a challenge for development. At one time, the international community did not treat this challenge as urgent. However, in recent decades the perpetuation of fragile states has come to be recognized as an increasing threat to peace and security as well as a major impediment to achieving global goals of sustainable development.

The Millennium Development Goals (MDGs) created, and the Sustainable Development Goals (SDGs) have reinforced, a high expectation of global transformation in which no one will be left behind. However, in the absence of a dramatic change of trajectory, it is clear that few fragile states will be included in that expectation. The fragile states tended to lag the farthest behind in achieving the MDG targets. They are home to more than 40 percent of the people now living in extreme poverty and by 2030 they are expected to account for more than 60 percent of the extremely poor. They are often afflicted by violence and, in some cases, are associated with international criminal activities and terrorism.

The significance of fragile states for peace, security, and sustainable development requires an intensive reexamination of past efforts and the adoption of coherent policies and strategies to greatly accelerate their stability, resilience, and development progress. The historical record and extensive research strongly suggest that such an effort needs to focus, in particular, on issues of weak governance and inadequate institutional capabilities—in essence, the necessary commitment and capacity to adopt and implement reforms.

At one time, the industrialized countries often approached the challenge of commitment in developing countries by imposing conditions on aid as an incentive for reform of policies and institutions. However, it became increasingly clear that conditionality was not producing the intended result. Aid conditionality often proved to be an inadequate incentive to overcome the relevant constraints, and donors were reluctant to enforce compliance with the conditions.

With respect to limited capability to perform the functions of governance, the traditional international response has been the provision of technical assistance, often from international experts and based on “best practices” developed elsewhere. However, the results of capacity strengthening, especially in the absence of a supportive local political commitment and leadership, have also often proved disappointing.

Dissatisfaction with conditionality and disappointment with capacity strengthening contributed to a shift in aid policy toward greater emphasis on selectivity in choosing development cooperation partners. This meant investing more in countries that had demonstrated their commitment to sound policies and had established effective institutions.

In the absence of such demonstrated commitment and capacity, David Dollar and Lant Pritchett argued in *Assessing Aid* that “donors should concentrate on activities that might support reform in the long run—overseas scholarships, dissemination of ideas about policy reform and development, and stimulation of debate in civil society.” The implication was that countries not ready to adopt and carry out reform should receive humanitarian aid and support to enhance their readiness to improve policies and institutions, but major investments should concentrate on countries that already had good policy and institutional environments. At the same time that interest was growing in the selection of “good performers,” a succession of dramatic and shocking terrorist acts, culminating in the tragedies of September 11, 2001, brought fragile states to the forefront of global concern. As Center for Global Development president Nancy Birdsall observed, “The weak and failed states emerged as a central challenge in both the fight against terrorism and the fight against global poverty.”

Paul Collier’s *The Bottom Billion* broadened public awareness of the special problems of

fragile states. It thoughtfully explained the traps that impeded progress, identified instruments for responding, and proposed an action agenda. Collier’s analysis was notable because it pointed out the complexity of the challenges, the variety of affected situations, and the range of different actions needed to address those situations.

Over time, development theory has given more weight to the complex and iterative nature of the development process as it occurs in different ways in countries with highly diverse political, economic, social, and cultural realities. Enthusiasm for international best practice and imported models has come to be replaced in theory—and increasingly in practice—by reliance on local systems and sensitivity to the local political economy. Approaches such as “problem-driven iterative adaptation” and “doing development differently” advocate flexible programming through partnerships that encourage inclusive local responsibility, experimentation, learning from experience, and frequent review and adaptation.

The volume of research into issues of state fragility and resilience has expanded rapidly. A number of governments and multilateral organizations have developed strategies for dealing with fragile states. The United Nations, the World Bank, and the Organization for Economic Cooperation and Development (OECD) all have research programs, dialogue mechanisms, and websites on this subject. The g7+, a group of 20 acknowledged fragile states, engages in international dialogue and advocacy, including through the International Dialogue on Peacebuilding and Statebuilding, a large group of developing and industrialized countries, multilateral organizations, and civil society representatives.

The growing body of research and analysis has informed a variety of guidance documents. While terminology differs, they all recognize, as the OECD does, that state fragility “can be

observed both in a lack of political commitment and capacity within the state to deliver key public goods.” The highly regarded *New Deal for Engagement in Fragile States* emphasizes five peacebuilding and statebuilding goals: legitimate politics, security, justice, economic foundations, and revenues and services. Other guidance documents suggest similar goals that confirm the multidimensional complexity of political, economic, and social fragility.

Statistical analysis and case studies highlight the central importance of state legitimacy as the key measure of fragility and the relationship of legitimacy to factors of state authority and capacity. The multiplicity and interrelationships of simultaneous influences, the variety of local contexts in which fragility exists (including multiple external causes of stress), and the implications for both security and development all support the conclusion that this complex phenomenon requires a systems approach.

We have learned a lot about fragility. For example:

1. Fragility is widespread and affects a growing number of people. According to the most recent OECD report, 50 fragile states are now home to about 1.4 billion people. Global poverty will be increasingly concentrated in these countries, where by 2050 the combined population is projected to grow to 2.6 billion.
2. Fragility is persistent. Fifteen of the 26 countries on the World Bank’s original 2005 list and 23 of the 50 on the OECD’s original 2007 list have remained on every subsequent list compiled by those organizations. Many of these countries were recognized as fragile states long before the lists existed.
3. Recovery from fragility takes time. Establishing credibility, restoring confidence, building legitimacy, and transforming institutions tend to involve repetition of successful experiences, building on previous

successes. The agenda is a long one. Even the fastest progress has been measured in decades, not years.

4. Statebuilding is a highly political endogenous process. In those fragile situations where limited government legitimacy and institutional capacity impede efforts to make good use of external assistance, external partners need to avoid assuming inappropriate roles that may undermine local responsibility for nurturing legitimacy and capacity.
5. The phenomenon of state fragility is manifested in many different ways. This complexity has given rise to the commendable idea that it is time to move away from the various lists that seek to distinguish between fragile and nonfragile situations and toward a spectrum of performance that could help to identify specific issues where special efforts are warranted.

And yet, for all we have learned, there remains considerable uncertainty about how to obtain results in a fragile state with a partnership approach that respects local knowledge, responds to local conditions, and encourages local responsibility. Initial experience with the promising *New Deal for Engagement in Fragile States* indicates progress in assessing fragile situations and developing compacts in several pilot countries. However, implementation of the compacts has been uneven and a number of fragile states have not yet fully engaged.

The partnership approach of the *New Deal* is problematic in countries where there is strong resistance due more to weak legitimacy than to limited capacity—for example, where authoritarian leaders or entrenched corrupt elites repress their opponents with impunity and show more interest in preserving privilege than in creating opportunity. In these difficult cases, it will be especially challenging to coordinate political, security,

development, and humanitarian instruments in ways that can contribute to increased readiness for reform without undermining local ownership.

The challenge of stubbornly resistant fragility is the most obvious example of the inadequacy of an aid-centered approach to development cooperation. Coherent strategies with a long-term perspective will be needed to foster more secure and stable environments and broadened stakeholder participation. Innovative approaches tailored to individual country situations will need whole-of-government efforts, involvement of multilateral and regional organizations, and public and private diplomacy. A multitude of studies has addressed the need for a coherent and focused approach to fragile states. Adopting such an approach, however, remains an unmet challenge. Inadequate coordination and a lack of coherence within and among international actors are repeatedly cited as continuing problems.

Given the importance and complexity of this challenge, the Global Partnership for Sustainable Development should give priority attention to fragile states, building international consensus and commitments to transform existing knowledge into an effective program of action. The international community will have to deal effectively with fragility in order to realize the aspirations of the 2030 Agenda for Sustainable Development, with enormous implications for people, planet, prosperity, peace, and partnership. With these high stakes, making the effort is clearly imperative. ●

The Link between Democracy and Development

Mark Green

Why does promoting democracy and human liberty matter in development terms? The simple answer is that democratic nations—those that respect the voices and values of their people—are usually more prosperous, stable, and reliable partners. Their economic prospects are brighter, because they possess the characteristics and conditions that experience tells us are vital for economic vibrancy and sustainable growth. They also happen to be better strategic partners for the United States because they are citizen-centered, making them less likely to engage in armed aggression.

While there are always exceptions and outliers, generally speaking, evidence supporting the link between democratic development and long-term economic viability is strong and growing.

Take, for example, the catastrophic drought and accompanying famine that struck much of East Africa in 2011. While many people across the region suffered during the crisis, in many ways, the famine was most intense in Somalia. According to the United Nations, more than 260,000

people—mostly children under age five—died. Of course, Somalia has long been among the world's most failed states. Its government has little authority or effective control outside of the capital, Mogadishu, and it consistently ranks among the most corrupt and least transparent governments in the world. In contrast Somaliland, the semiautonomous region in the northwest portion of Somalia, is among the greatest democratic success stories in the Horn of Africa. Its citizen-driven democratic government not only successfully managed to avoid the worst of the famine for its own people, it also provided famine relief to the rest of Somalia. The difference between a responsive, citizen-driven democracy and a corrupt, authoritarian regime quite literally meant the difference between life and death for tens of thousands of people. The Somalia-Somaliland comparison is at least one sign of how democratic government, civil society, and rule of law can prevent a natural disaster from becoming a human calamity and how economics is inextricably linked to governance.

Effective democracies are fundamentally more responsive. Whether it is responding to an impending food shortage or adapting to long-term economic changes, democracies must address the people's needs. If they do not, governing parties risk intense criticism from their opposition, the press, and, most importantly, from the voting public. Elections serve as powerful incentives for responsible governance. This continual interaction, adaptation, and communication between the people and their government also create a dynamic and responsive economic environment. Economies can prosper, innovate, and change as necessary. People are free to start businesses, change jobs, and trade at will without the continual restrictions of arbitrary governance.

What's more, in order to succeed and continue to be vibrant, democratic governments must share power broadly, including with civil society organizations. This relationship enables them to build support for, pass, and implement their policies, and it helps ensure that leaders consider interests

beyond their own party, tribe, or region in order to succeed.

Authoritarian systems, however, have none of these incentives. Their limited success is based only on their ability to wield fear and power to achieve their narrow goals. For instance, the monopolization of resources and power enabled only members of Somalia's government to avoid the kind of suffering and starvation they inflicted upon the public. There was no accountability and no citizen recourse. Without citizen engagement and democratic governance, public planning and facilities, including schools, roads, and hospitals, often fall into disrepair—eroding a country's ability to adapt and depleting its economic opportunities. Moreover, the denial of basic civil and economic rights stifles innovation and stunts long-term growth.

And it is the long-term, sustainable growth that's most tied to democratic governance. In the short term, there are certainly gains to be made without the challenges and debate of a democratic

system. China's remarkable economic emergence is probably the most obvious example of this centralized and manufactured growth. Over the last decade, its economy grew at an annual rate of nearly 10 percent. But the limits of this kind of highly restrictive political and economic environment are beginning to show. China's growth has slowed significantly in the last year and it is now proving difficult to propel a robust economy from a rigid, centralized force without free choice, innovation, and strong markets.

The fact is democratic processes are often the driving force of economic and societal development, not the result of it. Democratic institutions are the foundation on which economic growth can be built and the lives of citizens can be improved. A great example of this is post-communist Poland. Not only did the Solidarity movement—led by repressed citizens and workers—spur the end of communism in Poland, its focus on free press, elections, rule of law, and market-oriented reforms set the country up for more than 20 years of uninterrupted growth. These reforms and a transparent transition to democracy have created a thriving private sector with robust competition and an economy that has grown quickly and sustainably even through Europe's most recent recession.

While authoritarian systems like China's may be able to capture short-term gains their tight restrictions do not have the resilience characterized by open, democratic systems and are less able to adapt and expand.

This does not mean we need to impose American-style democracy on places where it is not, but rather illustrates the importance of working with countries to build *their own* responsive, citizen-driven institutions. Where political parties and civil society organizations are strong, diverse citizen interests are represented, consensus is built, and economies thrive. From the experience of Somaliland's ability to cope with

widespread drought and famine to Poland's ability to shift from repressive communism to a thriving democracy, the link between democratic and economic development and its effect on the health, well-being, and security of millions of people is clear.

If we are going to truly improve the lives of the world's poor and repressed, we must do more than offer them short-term economic options devoid of long-term democratic gains. Making democratic development a cornerstone of economic development programs is essential in creating a more stable, secure, and successful world not to mention avoiding needless suffering no matter what natural disasters or economic challenges may yet come. ●

Human Rights and Development: Does a Rising Tide Lift All Boats?

Shannon N. Green

Human rights and democratic governance are essential to sustainable development. Broad-based, inclusive economic growth requires the rule of law and predictable institutional responses, robust civil society participation, government accountability and transparency, and a commitment to rooting out corruption wherever it is found. The newly adopted Sustainable Development Goals (SDGs) recognize this important linkage, reaffirming the indivisibility of economic, social, and cultural rights and their civil and political counterparts, as well as the mutually reinforcing nature of these rights on sustainable development.

In many respects, one can trace the uneven impact of the earlier Millennium Development Goals (MDGs) to insufficient attention to several key factors: the importance of democratic institutions in managing poverty-reduction strategies; the need for rule of law and legal systems that uphold human rights and provide access to justice; and the availability of reliable information and data in order to monitor progress.

In some countries, the fragility of institutions limited the state's ability to achieve its national targets. In the worst cases, institutional failures resulted in conflict or violence that set development back by decades. The SDGs seek to rectify these shortfalls and ensure that development delivers for all. Goal 16 is the manifestation of that commitment—it aims to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable institutions at all levels.”

Despite this agreement at the international level, in reality, many countries seek to advance economic growth and prosperity while curbing respect for human rights and eschewing democratic practices. Freedom House has documented this “global democratic recession.” According to the organization's data, in 2015, 72 countries experienced declines in civil liberties and political rights, while just 43 registered gains. This year marks the 10th consecutive year in which losses outpaced improvements in human rights.

And the most significant reversals have been in respect for freedom of expression and the rule of law. CSIS has also written extensively about the global crackdown on civil society organizations, which are indispensable partners in promoting equitable, inclusive growth, and holding governments accountable for delivering on their development commitments.

Seeking to emulate China, some countries wish to usher in an era of increased economic prosperity and modernity, while maintaining political power and controls. And they seem to be succeeding—at least for now. The question is whether those gains can be built on and sustained in environments in which innovation is stifled, wealth is concentrated among those with power and their allies, and connectivity to the global economy and internet is limited.

Rwanda is a prime example of this model. This landlocked East African nation made impressive progress toward achieving its MDG targets, cutting extreme poverty by half, reducing child hunger and mortality, and increasing access to primary education between 2000 and 2015. However, during the same period, Rwanda experienced bouts of political repression; severe crackdowns on opposition politicians, journalists, and civil society activists; deeply flawed presidential elections; and the further entrenchment of President Paul Kagame, who is eligible to run for three additional terms due to a constitutional amendment passed in 2015.

Likewise, Ethiopia has posted significant development gains, slashing its poverty rate by a third since 2000 and growing its economy annually by double digits. This progress has made Ethiopia a donor favorite, receiving nearly \$4 billion in official development assistance on an annual basis. Yet, these development gains were achieved during a period of precipitous decline in Ethiopia's respect for political rights and civil liberties. In 2011, Freedom House downgraded

Ethiopia from “partly free” to “not free” because of its clampdown on independent media and bloggers, intimidation of opposition supporters and candidates, and decimation of human rights organizations who struggled to survive under a 2009 law that capped foreign funding for non-governmental organizations working on sensitive political issues. Ethiopia brings tensions between development and human rights into sharp relief: attempts by the government to clear a forest for an investment project in the Oromia region—home of the Oromo ethnic minority—sparked protests, which were brutally suppressed by government security forces and have resulted in scores of people killed, arrested, and detained without charge.

These countries create a real dilemma for aid agencies. On the one hand, donors feel compelled to support and commend the significant development strides these countries have made, including reducing their vulnerability to famine and other shocks. On the other hand, development actors must avoid legitimizing and even abetting the repressive practices of these development partners. Human rights activists, for example, were very critical of the United Nations' decision to hold the Financing for Development Conference in Addis Ababa in 2015 out of concern that it held up Ethiopia as a model for development, while turning a blind eye to its repression and violence against ethnic and religious minorities.

The debate about how to deal with these competing priorities often revolves around conditioning—or withholding—development assistance in order to incentivize improvements in a country's human rights performance. However, the argument for conditionality often hinges on concerns that it would cause the people, not the regime, to suffer the most. Opponents of conditionality also fear that it will push governments to turn to China and donors in the Gulf who typically provide aid without strings attached, which runs the risk

of further eroding U.S. leverage. Finally, critics note that conditionality has limited impact unless a recipient is overwhelmingly dependent on the donor; reforms can be made without posing an existential threat to the regime's survival; and there are no countervailing policies (e.g., military-to-military engagement and support) that would offset the message being sent by delaying or suspending economic assistance.

Even if one agrees with the limitations of aid conditionality, the answer cannot be to do nothing. Ignoring the political repression and human rights abuses of major development partners reinforces those practices and sends a signal that the international community is not paying attention, or worse, does not care about the way a government treats its citizens. It also endangers the development progress that has been made, as conflict and violent extremism find fertile soil in environments characterized by poor governance, widespread corruption, human rights abuses, and social marginalization and fragmentation. The international community, therefore, has a responsibility to speak out especially when its development partners are not living up to their human rights obligations. Partner governments may object to that criticism but have an interest in maintaining development cooperation and the flow of resources. After all, what is the benefit of having a strong bilateral relationship if it cannot withstand honest critiques about each party's shortcomings?

In addition, donors should increase support for independent media, civil society, and watchdog agencies as part of a holistic development package. Where development partners object to this type of support, donor agencies should engage more selectively by either choosing to forego aid entirely or constrain assistance to humanitarian or life-saving interventions. Donors should also take great care not to strengthen the repressive capability of the state through assistance pro-

grams. For example, if the justice system is used by the regime to punish opponents, aid organizations should avoid technical fixes and capacity-building measures that make the courts more efficient in carrying out that repression. Finally, the donor community should reserve symbolic demonstrations of support, such as state visits, major international conferences, and partner designations, for countries that embody a commitment to development and democracy. Governments that systematically repress their people and commit massive human rights abuses should not be rewarded with the acknowledgment and status that come with these gestures.●

Young Women: An Undervalued Asset for Democracy

Nicole Goldin

When 19-year-old Proscovia Alengot Oromait was elected to the Ugandan parliament in September 2012 she became the youngest parliamentarian in African history and one of the youngest in the world. Being female made the occasion even more of a landmark. From the outset however, her ability and legitimacy were questioned, especially because of her perceived youth. She argued, however, “It’s not age that works, it’s the brain and the knowledge that one has to fight for the constituency. I believe I can fight for the people in my constituency, and the sole reason as to why they voted [for] me, it’s because they knew I’m capable of doing what they want.”

Alengot and hundreds of millions of other young women around the world have much to offer in experience and perspectives stemming from their youth and gender. Nations with higher levels of women’s participation and leadership in politics, decisionmaking, and civil society tend to be more democratic, responsive, inclusive, and egalitarian. When women meaningfully partici-

pate in a peace process, they can help to expand the scope of agreements and improve the prospects for sustainable peace.

Young people, more broadly, are often at the forefront of democratic social political reform. That young people can be a force for peace was recently recognized in UN Security Resolution 2250. They have proven to be effective mobilizers and with technology can reach millions online and off. Women are often dynamic leaders of change, rousing other women and men to get involved, claim their rights, strengthen their communities, and defend their democracy. Their participation is fundamental to democratic governance. Yet women still have far to go toward equal representation in positions of power and political or corporate leadership. Young women in particular remain largely absent from national and local bodies and disenfranchised from political processes. They also struggle to have a voice in peacebuilding, civil service, the private sector, and academia.

Less than a quarter of all national parliamentarians were female as of February 2016 per the Inter-Parliamentary Union—a slow doubling from the 11 percent rate when the Beijing Fourth World Conference on Women took place in 1995. In 37 countries, less than 10 percent of parliamentarians are women, including six chambers with no women at all. Perhaps even more striking, while half the world’s population is under age 30, less than 2 percent of parliamentarians are in their 20s and 12 percent in their 30s; the average worldwide age of a legislator is 53.

DOUBLE BARRIERS

In representing and exercising their political rights, civic rights, and agency, young women bear the burdens of both their gender and age. As the 2011 UN General Assembly resolution on women’s political participation notes that “Women in every part of the world continue to be largely marginalized from the political sphere, often as a result of discriminatory laws, practices, attitudes and gender stereotypes, low levels of education, lack of access to health care and the disproportionate effect of poverty on women.”

Women face a number of barriers to full participation in political and civil life: social and religious norms, legal and cultural discrimination, lack of contacts, resources and support, and even violence. These challenges tend to be even more acute in the developing world and patriarchal societies, where they also face educational constraints, household responsibilities for caregiving, and more limited economic opportunity that undermine their power in the household and in communities. In a number of countries, their participation or eligibility to run for office is restricted.

Similar to youth more broadly, young women’s agency and participation and representation are further limited by an additional set of barriers. In many countries, overly stringent age thresholds for candidacy keep youth from elected office.

School curricula are less likely to include civic education courses and students are less likely to have opportunities to participate in service learning or political civic activities. Information—whether about registering to vote or otherwise engage—is less frequently targeted toward youth. Cultural norms in developing nations frequently place power and authority in elders and discourage agency, voice, and participation in youth. Further, young women in particular can find them in harm’s way and put their physical safety at risk.

Perhaps of greater note and concern is political marginalization and potential for self-imposed barriers by young women themselves in the developing world. In many countries, these challenges have fostered a negative view toward government and discouraged participation and expression. According to Pew Research’s Global Attitudes Survey, across 33 developing and emerging nations, on average two-thirds and upwards of 80 percent of young people (aged 18 to 29) do not believe their government officials care what people like them think. Interestingly, only in seven countries is the gap between young men and young women more than 5 percent, and in all but Poland young men are more negative: Ukraine, China, Pakistan, Peru, Nigeria, and Uganda (where the 14-point differential between males and females is the largest). Generationally, in a quarter of the countries surveyed, the gap between young women and those over age 30 is more than 5 percent and only two (Poland and Peru) overlap with those having a large gender gap: Poland, Jordan, Tunisia, India, Thailand, Nicaragua, Peru and Chile (where the 13-point generational difference was the largest).

CLOSING THE GENDER-AGE PARTICIPATION GAP

While there is still much to learn in terms of what works in policy and programs to encourage, in-

centivize, and support young women in overcoming the barriers to parity in representation and agency, there are mandates and best practices to draw upon in advancing participation.

The Platform for Action that came out of the 1995 Beijing Conference included women in power and decisionmaking among its 12 critical areas of concern with two strategic objectives and suggested actions. First, it called for measures ensuring women's equal access to and full participation in power structures and decisionmaking. In this regard, impactful policies or activities could include political quotas that reserve seats or candidacies for women and are shown to result in dramatic increases in the number of women leaders in some countries. Second, recognizing that women often do not have the capacity to take advantage of political space and processes even when open to them, the platform urged steps to increase women's ability to participate. Supporting women's parliamentary caucuses, and training on leadership, public speaking, and political campaigning, for instance, groom women to compete, stand as candidates, win, and be effective leaders who can inspire others.

Also in 1995, the United Nations issued the World Programme of Action on Youth, which included among its 15 priority areas: "Full and effective participation of youth in the life of society and in decision-making." This provides a framework through which nations can further engage. Strengthening or establishing national youth and gender policies that specify and reinforce political and civic participation and safeguard rights is important. To address the additional constraints young women face, we need to look at emerging practices—particularly at systems levels—that work to promote young people's participation with measures to ensure young women benefit equally. For example, we know that integrating civic education into school curricula with applied learning activities (such as mock elections) and

creating information campaigns that speak to young people in their language through mediums they access, such as music and social media (i.e., Rock the Vote), have been successful. Also, reducing candidacy ages can help and creating other governance structures at community, municipal, and national levels that give young people direct opportunities to meaningfully participate beyond elected office.

Young women have a right to equal participation and representation and they can make a difference that benefits whole societies, especially in elevating social cohesion and improving trust. It is incumbent upon us to take steps to ensure today's generation of Alengots are able to act on the power for change and progress they possess. ●



LIONEL BONAVENTURE/AFP/Getty Images



PART III: PRIVATE SECTOR

Partnerships for Development

Steve Green

The dynamics of a constantly changing world require the right investments and partners to build healthier communities, increase jobs and local incomes, and above all, develop the affordable, reliable energy that enables growth and makes lives better. Guiding Chevron's actions in this pursuit is our corporate vision—to be the global energy company most admired for its people, partnership, and performance. Chevron's vision helps to anchor an unwavering commitment to being a good partner. The partnerships we create in communities around the globe help propel our business success. From the host governments we interact and engage with, to the broad range of companies, contractors, and suppliers providing key goods and services—Chevron's strong partnerships enable successful business operations.

In communities where we operate, Chevron works to develop strategic partnerships with local governments, nongovernmental organizations (NGOs), and community leaders, and collaborates on solutions to locally identified needs. In these cases, the most effective part-

nerships tend to harness a shared energy and enthusiasm while enhancing practices that put local communities at the center when determining needs and priorities. The thinking around our partnerships and collaborative efforts is constantly evolving, but our efforts are driven by the following principles:

- **Partnerships should be goal-driven:** focus on business linkages and make sure the partnerships are driving toward specific, and common, goals.
- **Partnerships need to be flexible and fit for purpose,** but with core characteristics: common goals, collaborative cocreation, and commitment of resources and time.
- **Innovative and multi-stakeholder** approaches are increasingly necessary to achieve society's goals and fulfill community expectations: thinking originally in terms of who we partner with and how, and looking for complementary skills, rather than simple cost-sharing.

- **Improving organizational capability**, as we work with our partners to determine which skills and tools will lead to the outcomes we are seeking.

WHY WE PARTNER

We recognize that we cannot do it alone. Our fundamental belief is that development is not the purview of any one sector. Instead, we think it is best to take a partnered approach, with companies bringing their talents and skill sets to address the large challenges development presents.

We have close and long-standing partnerships with agencies such as the U.S. Agency for International Development (USAID), NGOs, and the national governments and local leaders where we operate. We know that we can bring skills to the table like engineering project management and capital management, while others bring expertise in areas like health and education.

Many drivers make partnerships essential for our success:

- They are necessary for **impact**: increasing political, social, and environmental complexity means that no one organization is big enough to do everything. We need a broad network of organizations, people, and resources to understand the ambitions and goals of our communities, and to carry out programming that will help to achieve those goals.
- Partnerships are central to **stakeholder engagement and sustainability**: partnerships enable engagement and buy-in of many diverse stakeholders, thereby enhancing the success and sustainability of projects.
- **Communities** where we operate desire not only a financial commitment from our social investments, but a true partnership to develop people, skills, and resources for the future.
- Coinvesting, in kind or with funds, can introduce **new skills, technologies, and resources** that enhance our development activities while fostering continuous improvement in the workforce and processes.

In my current role as president of Chevron’s operations in Asia—and in the many roles prior—I have witnessed the business value of flexible, fit-for-purpose partnerships. This is critically important. In a world with rapidly growing energy demand, partnerships will continue to guide us forward.

By 2030, the Asia Pacific region will be the largest consumer of natural gas in the world. To meet this need, our industry is working to develop supplies of reliable, affordable, clean-burning natural gas. And as we do, we are adapting our efforts, partnerships, strategies, and infrastructure to a constantly changing industry paradigm.

For example, in Thailand, we have worked extensively for years with the government and stakeholders to understand how we could best contribute. After much discussion, we partnered with leading NGOs, academia, the Thai government, and the private sector to launch the Thailand Partnership Initiative (TPI)—a five-year program to strengthen Thailand’s competitiveness and innovation by improving science, technology, engineering, and mathematics (STEM) education and vocational education across the country.

Over the next five years, TPI will work in partnership with leading nongovernment organizations, academia, key government organizations in science and education, and the private sector to increase the quality of science and mathematics teaching in Thailand, establish 18 training hubs nationwide, and promote the study of science, technology, engineering, and mathematics. A skilled workforce is critical to the success of our business and Thailand’s economic growth. A range of partners will be necessary to develop the curriculum, training, and commitments needed to achieve this goal.

In our view, healthy and stable communities make the best business environments. All communities have needs and aspirations, and we need to work with leaders, stakeholders, and partners

to ensure that our impact is scalable and sustainable. Knowing this, our approach has long been to engage and invest in the communities where we do business, whether they are in the United States or around the world.

WHAT’S AHEAD

There is a great deal of discussion today about partnerships, and while our thinking has evolved and solidified along with the conversation, the basic principles remain the same. In the early part of my career, it was uncommon for companies to talk about the social responsibility aspect of their business. In the last decade, however, as stakeholder interest in corporate social responsibility and social investments have increased, companies have done a better job of sharing the true value they bring to the communities in which they work, far beyond just the energy, products, or revenue they create.

Looking ahead, traditional and new kinds of partnerships will be required to build healthier communities, increase available jobs and local incomes, and provide access to energy for homes, schools, and businesses. And those involved in this pursuit all maintain the same objective—to make a positive difference and help solve the large societal challenges facing much of the world. By working together and leveraging our respective core competencies and skill sets, we have a far better chance of achieving our development goals while advancing The UN Sustainable Development Agenda. Strong partnerships will help to unlock the complex challenges of today’s development landscape. ●

A Better Environment for the Middle Class

Peter Woicke

Over the past several years, there has been a lively debate in the United States and Europe about the important role of the middle class for economic growth, showing a clear bias that savings, investments, and innovation by the middle class people indeed push economies forward. Interestingly, development literature rarely mentions the importance of a strong middle class for the development of poor countries with the emphasis more focused on “poverty reduction.” During my time as head of the International Finance Corporation (IFC), I visited a modern, private hospital in Mexico financed by the IFC. I can vividly recall the discussion with a group of young doctors, whom I had asked what made this hospital so important to them. Many good points were raised, but what impressed me most was the comment by one of the medical staff stressing that with the modern facilities at their disposal they had no more urge to emigrate to Houston. Mexico has built a large middle class of doctors, lawyers, engineers, and entrepreneurs who have made foreign aid almost redundant.

Poor countries continue to suffer from environments that are not conducive to make professionals comfortable. First-class healthcare is not available, educational facilities, particularly secondary and tertiary institutions, do not provide quality education relevant for future jobs, and leisure opportunities are not available. Jobs are scarce, especially in the small and medium-sized enterprise (SME) market. In contrast, the relatively small number of rich nationals, whose wealth often is based on specially granted licenses leading to monopolistic enterprises, are not disadvantaged: they can easily afford to send their sick relatives to the best doctors in Europe, the United States, Hong Kong, or Singapore. They can pay for the most expensive schools and universities wherever these are located. And vacationing in luxury resorts outside their own countries is no drain on their wealth. But unfortunately, this is also the class that all too often is not interested in changing the status quo.

The professionals who do not have access to facilities like the hospital in Mexico in order to utilize their training or to have their relatives treated there, or who cannot afford to send their children abroad to gain a modern, relevant education, or to enjoy leisure facilities we in the developed world take for granted, more often than not decide to emigrate. Young entrepreneurs who might initially see opportunities in their poor countries are stymied by bureaucratic rules and regulations, cannot find the risk capital they need for growth, and take their enthusiasm and ideas to places with a friendlier business environment.

Although some of these developing countries are endowed with enormous natural resources, and despite billions of dollars in foreign aid, and heroic efforts by NGOs to stem some of the worst cases of malnutrition, hunger, and nonexistence of sanitation, little progress has been made in a number of poverty-stricken countries.

This is not to deny that the Millennium Development Goals have shown some success: extreme poverty has been reduced, access to primary education has been enhanced, and gender equality and maternal health have seen advancements. Microfinance has been institutionalized and has created millions of small entrepreneurs who at least can support their families now. Still many countries are lagging behind, poverty continues to plague too many people, health care provision is often scarce or nonexistent, and job opportunities are few and youth unemployment is extremely high. Trained technicians and engineers to maintain the infrastructure provided by foreign aid are not available. And importantly, teachers are frequently unqualified, underpaid, and frustrated by unbearable circumstances in public schools.

To show more progress, world leaders in 2015 committed to 17 new Sustainable Development Goals (SDGs). All 17 goals make sense, although it does not seem clear how to achieve them: Is

the answer more aid, more NGO effort? Or will we recognize that real, sustainable progress will come only from within the poor countries themselves, by creating and maintaining their own viable middle classes?

Consider SDG 4, Quality Education: “Full access to quality education is the first step to achieving sustainable development. . . . [L]et’s make a sound investment in quality education by ensuring that primary and secondary schools are free for every child by 2030.” It sounds noble, but what about tertiary education? Who will educate and train the future teachers, nurses, doctors, engineers, lawyers, journalists, administrators, and entrepreneurs who are the backbone of any striving economy? The professionals with a focus on solving their individual countries’ problems, the ones who create the needed SME jobs, the group that will challenge old, corrupt political systems, and who will demand freedom of opinion and reliable legal systems.

Poor countries cannot continue to rely on advice from development experts, as well intended as that advice may be. Rather, it is the local expert who often understands the country’s specific issues much better. And poor countries cannot continue to hope that a few of their many sons and daughters educated abroad will return and then apply their expertise at home. Rather, poor countries need to invest in quality tertiary education that nurtures innovative, entrepreneurial, and above all ethical leadership and installs in their students a passion to solve their country’s problems and opens their eyes for the many opportunities at home.

This is not pie in the sky: Ashesi University in Ghana is a compelling case. It was founded 14 years ago by a young visionary Ghanaian, Patrick Awuah. Although successful in the United States as a software engineer, Mr. Awuah decided that Africa mattered to him most. After doing research he discovered a need for, as he put it

himself, “trustworthy employees in Ghana and the rest of Africa for that matter, employees who could think outside the box, who could handle complex, real world problems and who had strong leadership and communications skills.” Based on this demand, he created Ashesi from scratch with a curriculum in liberal arts and majors in computer science, business, and engineering. It is complemented with leadership seminars and an honor code accepted voluntarily by all students, and in community service for students during their education.

The result has been spectacular: many students at graduation find immediate employment, almost all of them stay in Africa, and many have become entrepreneurs with innovative solutions for country-specific problems. Initially, Ashesi depended on socially minded private donors, because many traditional development institutions and foundations considered Ashesi too risky to support. This has changed; the university is now on the radar screen of the media and innovative foundations.

Yet one has to wonder whether sufficient credit has been given to the Ashesi development model. Financial models have to be more aggressively developed to help young entrepreneurs in developing their businesses, and healthcare systems have to start to focus on the need of this middle-class group. Above all, Ashesi’s undoubted success has to be replicated in other poor countries, as only home-grown, top-notch institutions will create the well-trained, ethical professional leaders, passionate about their countries, leaders who have the capacity to move their own countries dramatically forward. The creation of a strong middle class should not only be relevant for the developed world; it must also be important for poor countries. Perhaps traditional development institutions should pay less attention to poverty reduction and rather put resources to work at doing just that.●

The Private Sector in International Development

John D. Sullivan

The adoption of the Sustainable Development Goals (SDGs) by the United Nations has set an ambitious agenda that will require development cooperation between the private sector, development agencies, and national governments. Driving this call for cooperation is a growing realization that in rich and poor countries alike, the private sector drives economic growth, job creation, innovation, and opportunity. Traditional approaches to promoting entrepreneurship often focus too much on individual skills-building and services while neglecting institutional reforms needed to remove barriers to doing business. Many of these institutional reforms are also what foreign investors are looking for in order to seriously consider entering developing markets. What is slowly emerging is the realization that for the domestic or foreign private sector to act as the engine of growth, there must be a strong enabling environment built through the institutions of an open-market economy.

This realization is embedded in the SDGs, specifically in SDG 8, which calls for “sustained,

inclusive and sustainable economic growth, full and productive employment and decent work for all.” Further, the specific targets in SDG 8 include the following: “promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.” While this is a laudable goal and target, the question arises as to how the public and private sectors can work to create the needed institutional reforms.

BUILDING INSTITUTIONAL REFORM

Institutional reforms have many dimensions and areas of focus: from strengthening property rights, through combating corruption, to improving the legislative framework that governs business operations. Their shared quality, however, is the focus on building the institutions that underlie democracies and market economies alike and are based on the values of fairness, accountability, transparency, and responsibility. As companies operating in developing countries well know, the enabling environment is often far from one that fosters entrepreneurship and growth. Businesses struggle every day with enforcing contracts, dealing with pervasive corruption and complex licensing procedures, and navigating often-conflicting and burdensome laws regulations.

If those institutional barriers impede foreign companies, the effect is even more pronounced for local entrepreneurs whose resources in terms of time and money needed to overcome such hurdles are infinitely smaller. Between the difficulties in opening, running, and closing a registered business, many entrepreneurs find those barriers insurmountable and remain trapped in the informal sector where they cannot reach their full potential and meaningfully contribute to the development of a modern economy. Not surpris-

ingly, in many countries the majority of the labor force and a sizable portion of the GDP are found in the informal sector.

Importantly, the barriers that hamper entrepreneurship are indicative of deeper governance failures that not only undermine the economies of many countries, but also damage their democratic prospects. As such, efforts to support individual entrepreneurs or firms, create venture capital funds, or help youth develop business plans are not sufficient. They can be quite effective in creating individual success stories and moving some people out of poverty but they fail to reach many others because they do not address institutional barriers that are the core of the problem.

OVERCOMING BARRIERS

One approach that has been found to help build the enabling environment is the National Business Agenda (NBA) program implemented by the Center for International Private Enterprise (CIPE) and its partners in countries throughout the developing world. The concept is to create a public-private dialogue that identifies the key constraints and issues facing the business sector and, most importantly, crafts potential solutions that can be enacted by the policymakers. The process begins with a series of focus-group meetings held by leading business associations and chambers of commerce. These focus groups are a platform for business people to identify laws and regulations that hinder business activities and offer concrete policy solutions to remove these barriers. In doing so, NBAs set the legislative and regulatory priorities of the private sector and clearly communicate them to policymakers.

Developing an NBA requires the private sector to collaborate to identify issues that constrain business activity, offer proposals and solutions to address the issues, and present them in an open and transparent manner to public officials. Building an agenda mobilizes the business com-

munity to use its skills to affect public policy by setting legislative and regulatory priorities and communicating these priorities to policymakers in a united front.

CIPE's national business agenda process is based on involving business in prioritizing issues. This then provides focus for advocates and decision-makers, and allows early wins to build credibility. The key is to encourage participation by addressing specific regional and industry needs and providing the business community with a sense of ownership. Business leaders must take the initiative in building a coalition that can reach a consensus on major issues.

The work of the Bangladesh Women's Chamber of Commerce (BWCCI) is an example of what can be accomplished by the NBA method under challenging circumstances. First, BWCCI conducted a baseline assessment on women entrepreneurs in Bangladesh to serve as a starting point for policy design. Next, they held 32 advocacy meetings at local and national levels with key government officials. In the process, BWCCI engaged chambers of commerce, deputy-commissioner offices, the media, think tanks, and NGOs. In March 2009, the BWCCI launched the inaugural Women's National Business Agenda. The agenda divided policy recommendations into 30 specific reform recommendations establishing key priorities. The advocacy campaign then mobilized 180 organizations that endorsed the final agenda. The advocacy produced reforms including instructions from the Central Bank to increase lending to women. BWCCI then followed up with programs designed to ensure that the policy changes were actually implemented. By 2014, the NBA program was demonstrating results including \$93 million in lending to some 10,000 women-owned firms and more than 65 percent of the nation's banks creating "dedicated desks" for women entrepreneurs. Other reforms generated through the NBA process included

improvements in the tax regime, new training programs for women entrepreneurs, and increased participation by women on the boards of state-owned banks. Similar efforts have been put in place in Moldova, Nigeria, Iraq, Belarus, and other countries.

The NBA process is grounded in the finding that successful reform has to be based on local ownership, be appropriate for the legal and institutional structures of the country, and focus on building the institutional structures essential for a market economy. These findings are grounded in academic studies including those by Dani Rodrik, William Easterly, and Douglass North. Interestingly, the same points form the core of the Busan principles for effective development adopted in 2011 by over 80 countries at the Busan Conference on Effective Development Cooperation. The central conclusion is that the private sector, especially the domestic private sector, has a key role in building the enabling environment that must be at the core of economic growth necessary to accomplish the sustainable development goals. Public-private dialogue, through NBAs and other platforms, is the key to building that enabling environment.●

Localizing Supply Chains: Opportunity and Challenges

Paula Luff and Michael Levett

The make-up of global companies' supply chains offers both a unique and often-challenging opportunity to contribute to the creation of new national and family wealth, economic development, and well-being in many countries around the globe. Across many sectors, from agriculture to extractives, travel and tourism to technology and infrastructure, there has been recognition of the potential and positive impact of localizing the procurement of necessary products and services. That said, local content efforts have failed to engender either a policy or business practice environment that connects opportunities with development outcomes.

Why does local content matter? The core business activity of multinational corporations (MNCs) offers a unique opportunity to create lasting economic and social value. Local sourcing of goods and services helps MNCs and large regional companies gain a competitive edge by building local relationships and knowledge. Indeed, a vibrant and growing local economy can provide a better business environment for all companies; this is

especially true in a globalizing economy where companies that traditionally saw developing countries as sources of supply of products and labor now see them as markets into which they can sell goods and services. The financial benefits to local small and medium-sized enterprises (SMEs) that capture contracts may be obvious, but the benefits can and should go far wider: skills and knowledge training and capacity building reach many more local firms and extend beyond business basics of how to win contracts to quality performance, transparency, human resources, and business conduct. Over time, the business acumen and quality of a wide swath of SMEs can improve the local marketplace while some firms will compete regionally and even globally.

The challenges are significant and often different sector to sector and country to country. Local SMEs face a lack of business knowledge and requirements; supportive national business rules and traditions; and access to training, capital, and MNCs and their procurement opportunities. Meanwhile, MNCs looking to expand local con-

tent may face increased costs (at least in the near and mid-term); the ongoing need for certainty of quality, standards, and timeliness of performance; traditional, often global sub-contractors; and an often country-by-country array of approaches to expanding more local content. Many countries have policies and regulations governing local content—for example, tight mandates for percentages of contracts or subcontracts awarded to local firms focused on extraction firms. However, at least in some sectors, there is wide variation in policy (what is “local”? what percentage is local?) and practice (waivers provided to some companies) that limit the creation of “global policies” by companies and can make corporate support both more challenging and less certain. Although regulation may mandate local content and clearly has led to increases in some countries, regulation often encourages companies to “tick the box” and not partner to go beyond compliance.

In spite of these problems and challenges there are innovations and the literature offers success

stories in various sectors; however, there is far less development of local content than many had hoped for, too few replications of many of those successes in key sectors, and far too few cross-sectors exchanges. Why can we not seem to translate best practice into standard practice across companies? In 2012, CSIS published a report on local content and its potential as an engine of economic growth in emerging markets across industries. This study made recommendations that still resonate almost five years later, for MNCs and SMEs, “host” governments, and U.S. and international development organizations.

Given the changing development landscape and the increased stakeholder focus on responsible supply chain, it is time to revisit local content through a newer development lens.

1. The UN launched the Sustainable Development Goals (SDGs) in late 2015—17 goals for all countries to embrace through tri-sector partnerships. Local content done well and to scale can help us make progress toward

several of the SDGs, including: 1, No Poverty; 8, Decent Work and Economic Growth; 9, Industry Innovation and Infrastructure; and 12, Responsible Consumption and Production. Perhaps as important, there is also overlap with other SDGs, especially climate change and resource use. Meeting the SDGs has tremendous costs and there is a significant funding gap between costs and traditional development assistance. While relatively new tools and impact-investing vehicles may help increase access to capital for SMEs, they are not yet available at adequate scale. Foreign direct investment that does not incorporate local content upfront into project planning and strategy will also be limited in development impact.

2. Proactive cross-sector collaboration will be essential in taking local content from good-faith effort to engine for growth. It will take greater collaboration to help governments land regulations that focus less on quotas and consequences and more on sustain-

able growth. Engaging development banks and capital markets is critical to expanding access to capital and taking new, promising mechanisms to scale. Companies and civil society should borrow a page from the Anadarko-PYXERA Global partnership and plan for local content up front—as a competitive advantage as opposed to a regulatory burden. For the most part, companies tend to address local content late, once projects have begun or regulations have been enacted as opposed to incorporating it into upfront project planning. Today, companies and civil society can seek out and plan early-stage local content efforts, seeing such activities as creating a competitive advantage rather than a regulatory burden. In Mozambique Anadarko, which funded the initiative before FID, and PYXERA continue to demonstrate that proactive engagement pays off. PYXERA conducted a capacity assessment early on enabling them to incorporate local content into project planning and execution and

- demonstrating successful approaches prior to national policy formulation.
3. Through collective action, a critical mass of SMEs could become suppliers of choice and not just lucky winners of a contract or two. This will mean that effective local content will be business as usual, not a collection of case studies. Companies not on the cutting edge in local content risk falling behind the competition. Responsible supply chain practices are no longer just the right thing to do, they are becoming mandated in some sectors/countries and by an increasing (but still insufficient) number of companies as good business/bottom line practice. Social license is rapidly becoming a compliance issue. Several countries have enacted local content laws over the past decade with an eye toward reaping broad social benefit from MNE activity. Ghana's law carries both civil and criminal penalties for noncompliance. Other countries like Gabon and Angola have strict rules governing expat labor, including relatively early retirement requirements. While the intent is often spot-on, the results will miss unless the regulations are not always aligned with the realities of the marketplace. Globally, the responsible and transparent supply chain practices are increasingly becoming the subject of regulation—the conflict minerals provision of Dodd-Frank and the UK Modern Slavery Act are two notable examples of an emerging trend.
 4. Commodity prices have languished since late 2014. Oil and gas and mining have often been the focus of local content efforts and companies in these sectors are cutting costs dramatically. Will local content efforts languish with prices or will new and best practices demonstrate local-content cost-effectiveness (decrease cost, increase sales, build brand reputation through “local” business activities)?
 5. There are barriers to local content and to scale up. Requirements for local ownership and contracting with local firms can put MNCs at odds with compliance requirements such as trade agreements/restrictions and home-country compliance requirements such as the U.S. Foreign Corrupt Practices Act (FCPA) and the UK antibribery Law. Some laws mandate, for example, that companies contract with locally owned firms; at the same time, the owners may have ties to government or powerful political interests. Can the U.S. Agency for International Development (USAID) and other institutions help governments develop policies that avoid the risk of FCPA and trade-agreement violations?
 6. Often regulations do not take into consideration local capacity or time or resource requirements to integrate local content into practice in a meaningful way. The Ghana law gives companies five years to meet a high bar. When a country sets unrealistically high bars (e.g., implementation time, percentage of contracts), the first outcome is too often a search for exemptions. How can we better collaborate on the ground to help set realistic goals and actually meet them, especially where industries and their supply chains are in early stage development?
 7. It would be most beneficial to local content development across the globe to implement a multisector analysis of what works and why (including the comparative impacts of specific mandates, more general regulations, and nonmandated corporate policies and practices). The analysis should consider (a) ideas for translating isolated good practice into business as usual; (b) why companies do not replicate their own good “success stories”; (c) new kinds of partnerships, engaging investors, moving support from corporate social responsibility and even the CEO to

procurement departments, and regulators; and (d) the role of public policy and public money by international agencies (e.g., World Bank, Inter-American Development Bank, and International Finance Corporation) and national governments. Finally, the analysis should consider the importance of and difficulties with monitoring and evaluation; there appears to be little agreement on what “good” looks like, how to compare success stories, how to translate individual success stories into the way companies operate, and to conduct cost-effectiveness studies that go beyond the short term.

We believe that local content offers an amazing upside for firms, families, and economies. The multiplier effect is real and can have enormous impact on our collective ability to transform development and the role of the private sector in global prosperity. It is time for government, civil society, and the private sector to join forces and take a fresh look at local content as a powerful tool in sustainable development, to move the needle from isolated good practice to business as usual.●



PRAKASH MATHEMA/AFP/Getty Images



PART IV: SECTORS

Quality Education for All: Innovative Partnerships for Universal Access

Donald Steinberg and Alla Korzh

Ensuring access to quality education for the world's 650 million school-aged children and young people has now joined the pantheon of global goals viewed as essential to international economic, political, and security interests. Long a priority for civil society and academic institutions such as World Learning and the School for International Training, universal access to education is now considered a means of empowering a new generation of world citizens to build peace, prosperity, inclusion, and good governance.

The achievement of all of the recently adopted Sustainable Development Goals (SDGs)—not just Goal 4 on ensuring inclusive and equitable quality education—as well as the elimination of extreme poverty within the next two decades and the capacity to counter violent extremism hinges on our ability to provide young people the means and opportunities to contribute meaningfully to their society. The international community must ensure that societies with youthful population distribution take full advantage of a “demographic dividend” rather than suffer the effects of a “youth bulge.”

CHALLENGE AND OPPORTUNITY

There have been remarkable strides in educational access for millions of children around the world in the past 25 years. The number of out-of-school children aged 6 to 11 has been cut in half, declining to 59 million. Similar gains have been made for adolescents aged 12 to 15. Nonetheless, the barriers to access for the 124 million children and adolescents are persistent and often rooted in interlocking variables of gender, race, class, ethnicity, caste, religion, ability, age, language, sexuality, or geographic location.

Girls are the first to be excluded from school. Today 62 million girls have no access to primary and lower-secondary education. The top barriers for girls' education are sexual and gender-based violence on the way to and at school; biases against pregnant or menstruating girls; and sociocultural values and practices, including parental attitudes, early marriage, and opportunity cost of education. Too often schools and communities do not appreciate the full potential

of girls, especially girls with disabilities and girls living in poverty.

Children with disabilities experience stark educational inequalities. Of the estimated 93 million children with disabilities globally, of whom 80 percent live in developing countries, only 1 in 10 has access to education. Cultural stigma and lack of national policies, services, and innovative approaches exclude these children from education and limit their opportunities to full participation in society.

Almost half of the out-of-school children live in conflict-affected areas. In 2015, armed conflicts in three dozen countries deprived 80 million children and adolescents of access to education. In Syria, for example, armed conflict has disrupted education for 1.8 million children and adolescents who were previously in school. This alone has offset universal gains in education and increased the gap of out-of-school children from 57 million to 59 million by 2015.

MEETING THE PROMISE OF UNIVERSAL EDUCATION

Ensuring universal access to education will also require a major new financial commitment. The Education for All Global Monitoring Report estimates that for secondary school alone the annual funding gap to achieve quality universal education is \$39 billion. To do so will require new approaches.

In developing innovative solutions to educational access, three principal approaches should prevail. First, we must emphasize local solutions that make education more available and relevant. Local citizens should not only be beneficiaries of education programs, but planners and implementers. Second, we need to focus on experiential learning rooted in the cultures and societies themselves. The watchwords for international actors should be “nothing about them without them.” Finally, approaches to access should target groups most likely to be left out of formal systems and particularly vulnerable and marginalized children, including child laborers, children

displaced by conflict or natural disasters, orphans, and children with disabilities.

World Learning programs in Pakistan, Lebanon, and Egypt demonstrate these principles. In Pakistan, World Learning is working to improve the quality of public education, so that young learners gain strong reading foundation that will support lifelong learning. Improving the quality of public education will ensure that parents and community members see the value of inclusive, quality secular education for girls as well as boys. We are working with the Pakistani government, U.S. Agency for International Development (USAID), International Rescue Committee, and others to train 93,000 teachers in 38,000 schools to improve the quality of literacy teaching in public schools. The project is supporting at least 2.5 million primary-school students by providing teacher professional development, systems reform, and civil society engagement to reestablish a culture of reading in Pakistan.

In Lebanon, the presence of more than a million Syrian refugees has overwhelmed the educa-

tional system in many communities. Lebanon has welcomed these young refugees—who now constitute up to 25 percent of the country’s total school-aged population—into local schools with a minimum of prejudice and discrimination. Still, these refugees have increased the size of classes, and required teachers to learn new skills to educate children who have already seen a lifetime of horrors of war and displacement. World Learning is working in more than 300 communities to support local school systems by equipping administrators and teachers with psychosocial care skills, helping communities to avoid xenophobic reactions.

In Egypt, World Learning and its partners have introduced new opportunities for high school students in the area of experiential education for science, technology, engineering, and mathematics (STEM) to ensure that graduates have the necessary technical skills for an increasingly sophisticated job market. Working with USAID and the Egyptian government, along with the

Franklin Institute, the 21st Century Partnership for STEM Education, and the Teaching Institute for Excellence in STEM, we have established nine model high schools where boys and girls have access to digital fabrication labs, 3-D printers, laser cutters, and the capacity to engage in open data and crowd sourcing. The project embodies transdisciplinary collaboration, real-world applications, and critical thinking. It directly supports a new vision of Egypt as a country equipped with both the human capital and institutional resources to compete and excel in the international marketplace. The STEM model schools serve as incubators for future leaders and innovators who will have the potential to advance research and development initiatives that fuel scientific invention and generate employment opportunities and economic growth.

These robust partnerships are the wave of the future in ensuring access to quality education for all. Civil society institutions, international donors, academic institutions, multilateral finan-

cial institutions, foundations, the private sector, and host governments must come together to get children and adolescents into school, ensure they thrive there, and support their transition from school to work as they become drivers of economic growth and engaged citizens. Not only is it a matter of fairness and social justice for the individuals involved, it is in our collective international security interest to do so.

Countries that benefit from the resilience that comes from a culture of educational opportunity tend to be less likely to traffic in illegal arms, drugs, and persons; to harbor terrorists and pirates; to transmit pandemic diseases; to send refugees across borders and oceans; and to need international boots on the ground. The question is not whether we can afford to provide education for all, but can we afford not to.●

The Food Security Solution

Kimberly Flowers

In a world that has become increasingly interconnected and chaotic, with more displaced persons since World War II, and with an array of humanitarian disasters that has outstripped the international community's budgets and capacity to respond, why should global food security remain an imperative development priority? Why has the United States invested so heavily, to the tune of \$5.6 billion over the past five years, in agricultural development and nutrition to reduce extreme poverty?

AGRICULTURE'S ECONOMIC POWER

Agriculture is the primary source of employment and income for 70 percent of the world's rural poor, and it contributes more than a third of GDP in many of the least-developed countries. In light of evidence that GDP growth originating in agriculture can be four times more effective as growth in other sectors in raising incomes of the extremely poor, the economic leverage of agriculture for development is hard to dispute.

Aligning foreign assistance with country-led strategies for agricultural growth is the most effective approach to achieving results for vulnerable smallholder farmers, their families, and their communities. Government ownership is critical to sustaining development investments and to ensuring a sound policy environment for private-sector engagement. In order for agriculture to reach its potential to generate employment, raise smallholder incomes, and catalyze markets, both the will of country leadership to dedicate resources and the ability of local and international private companies to invest along the value chain are required. In some cases, this translates into tough policy reforms that take time to understand, implement, and enforce.

NATIONAL SECURITY RISKS

There is a causal relationship between food insecurity and political instability, as escalating and volatile food prices have resulted in urban riots, toppled governments, and regional unrest from the Caribbean to the Middle East. A paper released by The Chicago Council in March 2016 reminds us that "food price shocks can act as a catalyst for both nonviolent and armed conflict." Global food security undergirds economic security, national security, and human security; it goes well beyond a moral obligation or humanitarian response.

The intelligence community recognizes this nexus and the increasing security risk in the face of dwindling resources. Last October, the United States' Office of the Director of National Intelligence produced a report stating that "the overall risk of food insecurity in many countries of strategic importance to the United States will increase during the next 10 years because of production, transport, and market disruptions to local food availability, declining purchasing power, and counterproductive government policies." One of the greatest global development challenges that wealthy and poor countries face

together is increasing agricultural production to meet shifting consumer preferences and a growing population while using less water and fewer hectares and managing the unpredictable effects of climate change.

A CHANGING GLOBAL CLIMATE

Erratic weather patterns, emerging pests and diseases, and extreme natural disasters are among the overwhelming obstacles to ensuring that all people have access to safe, affordable, and nutritious food. The United States Global Research Program, which is a consortium of 13 federal agencies, published a report in December 2015 that said “climate change is very likely to affect global, regional, and local food security by disrupting food availability, decreasing access to food, and making utilization more difficult.”

A changing global climate poses a unique set of interwoven challenges to agricultural growth in developed and developing countries alike. Shifting and increasingly variable temperatures and modified rainfall and humidity throughout the growing season impact not only crop maturation, but also the array of weeds, pests, and diseases that farmers must contend with. Increasingly arid conditions across the Sahel and soil salinity in South Asia both highlight the need for improved seed varieties, irrigation techniques, and other inputs to help smallholders adapt to new conditions. It is also a reminder of the importance of investing in and scaling up innovative technological solutions from transgenic crops to mobile solutions. Without strategic interventions directed at mitigating climate change-induced agricultural productivity losses, the consistency and predictability of staple crop supplies and prices in local markets is far less assured. Because households in many developing countries spend over 60 percent of their budgets on food, even modest price fluctuations mean that many will go hungry.

According to the World Meteorological Organization, 2016’s El Niño is one of the most extreme weather patterns on record, worsening the existing impacts of climate change in many places in sub-Saharan Africa and Southeast Asia. In Ethiopia, the government estimates that 10.2 million people will need humanitarian assistance in 2016 due to a drought severely exacerbated by the effects of El Niño. Meanwhile, it is unlikely that the conflicts in Syria, South Sudan, Nigeria, and Yemen will be quickly resolved; the protracted unrest has disrupted agricultural production and market activity, and damaged critical infrastructure, causing billions of dollars in losses that will take decades to recover from.

THE MALNUTRITION CONTINUUM

The irreversible effects of childhood malnutrition are not limited to conflict environments but may contribute to their instability. Poor nutrition causes about 3.1 million deaths among children under five each year and one in three children in developing countries is stunted. Undernutrition in early childhood has been linked to adverse health outcomes throughout life in addition to reduced educational attainment and lower earnings as an adult. In the long run, malnutrition undermines a country’s economic growth potential by diminishing the cognitive and physical capacity of its emergent workforce. Addressing nutritional deficits is thus a critical component of any strategy that seeks to harness the potential of youth.

BIPARTISAN SUPPORT

Agricultural development may take time to show results, but with the right kind of partnerships and country leadership, it works. While Feed the Future, the U.S. global hunger and nutrition initiative launched by the Obama administration, has room for improvement, its achievements in poverty reduction and improved nutrition in

select focus countries are laudable. Smallholder farmers are learning improved cultivation and management practices and utilizing new technologies. The private sector has been engaged: small and large actors alike are making investments across various value chains. Children are eating more diverse and nutritionally complete diets. And the United States has established itself as a global development leader by fulfilling its promise to address food insecurity while leveraging substantial investments of other countries to complement its initiative.

There are few topics that have broad bipartisan support in both congressional chambers, but global food security has proven to bring both sides of the aisle together in solidarity. The Global Food Security Act, which would codify Feed the Future into law and authorize \$1 billion a year for the initiative, was passed by the House on April 12 with 370 votes of support, and by the Senate through a voice vote on April 20. There are slight differences in the two versions, including an emergency food aid component, that will need to be worked out in conference, but it looks likely that the bill will be signed into law ahead of a new administration in 2017. This is nothing short of a ground-breaking moment that signals strong U.S. leadership and, more importantly, continues services to the millions of smallholder farmers and families who currently receive direct support to sustainably increase their incomes and improve their diets. ●

The State of Women's Economic Participation

Helen Moser

Achieving parity in economic participation for women is a development imperative that holds great promise for societies, especially in emerging economies. Women tend to spend earned and saved income on goods for their families, including food and education, at higher rates than men do. However, women face significant gaps in their access to formal financial instruments, including savings accounts and credit. Women are also paid less for their work—or not at all—when they participate in the formal and informal economy. This article provides a review of the current state of women's economic participation in developing countries, discusses attempted interventions and their outcomes, and suggests where further research and innovation are needed to realize the important outcome of women's equal participation in the local and global economy.

The why of parity in women's economic participation is an important starting point. Equality is an end in itself, but beyond that there is evidence that women use capital in ways that achieve bet-

ter economic and health outcomes for their families. Studies have linked higher rates of women's control of household income to increased food purchases and years of schooling for children, and even augmented heights in daughters. Additionally, women's economic participation has a significant impact on a country's economic growth prospects. Women make up 40 percent of the workforce and over 30 percent of small and medium enterprise (SME) owners in developing countries, and their businesses lack approximately \$300 billion per year in necessary capital. If this gap were met, women's and families' livelihoods and countries' economic growth prospects could be much enhanced.

Despite this potential, women face significant constraints to credit. Women in emerging markets are 20 percent less likely than men to have access to a formal bank account and 17 percent less likely to have borrowed in the past year. One reason for this discrepancy is that women tend to be poorer than men on average and have less

collateral to offer. Lack of financial education can also limit women from gaining access to and benefiting from financial services. In addition, many women may have access to financial services in name only, while their husbands or male family members control the funds.

Microfinance institutions (MFIs) often present themselves as the solution to the credit gap facing women in developing countries. MFIs rose in popularity in the late 1990s and early 2000s, and many MFIs such as the Grameen Bank began strategies of lending primarily to women that continue today. Over 80 percent of the poorest MFI clients worldwide (those who live on less than \$1.25 a day) are women. While initial evaluations of microfinance programs showed a positive correlation between participation and returns to capital for women, the evidence has since shifted.

In the past five years, rigorous randomized control trials (RCTs) conducted in countries such as India, Mexico, and Ghana have demonstrated that participation in microfinance does not yield long-term returns to women's business creation, business profits, or incomes. Microfinance is also controversial in many developing countries, where some for-profit MFIs essentially act as loan sharks, and recipients take on additional loans to pay existing debts. This is not to say that microcredit brings no positive benefits to the lives of women in developing countries. It has been demonstrated to have other important advantages—increasing women's bargaining power within the home and smoothing household consumption, to name only two. But its effectiveness as a long-term income and profit-boosting mechanism is largely not corroborated.

Increasing access to formal savings accounts is a promising intervention that has not yet been explored to the extent of microfinance. Women in emerging markets save on average 10 to 15 percent of their incomes, however inconsistent

these savings may be. Regardless of women's proclivity to save, the 2014 Global Findex Database found the gender gap in access to formal savings has not narrowed in developing countries since 2011; it has held firm at 9 percentage points. Many women and youth must save informally and in unreliable ways, including by storing cash in the home. In many cases, this means that they do not have autonomy over these funds.

A savings account with a financial institution can provide women with a safe place to save. Mobile savings accounts in particular can address the access issue for women who live in rural communities and offer them a way to save funds privately. Studies on extending access to savings accounts to women in countries such as Kenya and Nepal show a promising impact. The take-up rates and impacts on income in these studies are far higher than any demonstrated by rigorous evaluations on microfinance. However, with the gender gap in access to savings holding even as mobile savings providers expand in developing countries, there is opportunity to examine why so many women are still unbanked.

Another important factor shaping women's participation in the local and global economy is the extent to which they participate in and receive fair compensation for work inside and outside the home. In 2016 the international development community has put an increased focus on women's unpaid work, including childcare and home chores that do not receive monetary compensation. Globally women spend 4.5 hours per day on this kind of work, whereas men spend less than half that time. The gap is larger in developing countries; for example, in India women spend six hours a day on unpaid work, whereas men spend one hour.

The challenge of unpaid work occurs in addition to the established reality that women participate less frequently in the formal economy than men do; in 2015, the global female employ-

ment-to-population ratio was 46 percent (representing 1.3 billion women in the formal workforce worldwide), while the male ratio was 72 percent (representing 2 billion men in the formal workforce worldwide). Women hold formal jobs the least in Northern Africa, South Asia, and the Arab states. Women who do participate in the formal economy are paid less for such work: The gender wage gap globally is 23 percent, with women earning 77 percent of men's wages in the formal economy. At the current rate, it will take 70 years to close this gap. Interestingly, there is not a correlation between a country's gender wage gap and its level of development.

Interventions that seek to improve women's economic participation in developing countries must address that their experiences, at large, are different than that of men. As discussed, women participate less in and earn less from the formal economy. They take part more in informal work that is often unpaid. Women also experience other internal and external constraints and conversion factors that may mean that given the same tools as men—access to credit and savings accounts, for example—women make use of them differently.

These can include that women invest more of their profits in the health, education, and consumption of their families instead of back into their businesses. Women business owners also experience entrepreneurship as a greater drain on family obligations than do men, decreasing the time they are able to work as well as their profits, even given influxes in capital. Additionally, women have less bargaining power in the household than men—men may have more access to household resources, labor of their children and spouse, and in some cases access to their wife's savings account or loan. Finally, women may work in different industries than men due to social conventions or their need to be closer to home to watch children. This may also limit them in traveling to access markets for their goods.

International development actors, including bilateral donors, multilateral organizations, and nongovernmental organizations, must consider these factors in designing and supporting comprehensive approaches to women's economic participation. Responses should seek to empower women's participation in the economy by enabling them with the tools that correspond to their realities. This may include financial literacy training, access to microcredit or a savings account, business incubation, or some tailored combination of these approaches. Innovations in this area are also needed, particularly in how private-sector actors can better leverage women in developing countries as part of their supply chains. Finally, and perhaps most importantly, developing country governments seeking to boost economic growth by empowering women's economic participation must ensure that a baseline of laws and policies that support and protect this equal participation.●

Power Africa's Promising Start

Jennifer Cooke

When analysts look back at the Obama administration's development legacy in sub-Saharan Africa, the Power Africa initiative will very likely top the list. Warmly welcomed in Africa, the president's initiative targets one of the most enduring obstacles to poverty reduction and investment on the continent—the lack of reliable and affordable electricity. Power Africa aims to significantly expand power generation and access, drawing on a broad range of U.S. domestic agencies and a network of private-sector investors and entrepreneurs, partner governments, and international financial institutions. Bridging Africa's energy gap will take many years, and not all countries will get it right: the continent's electricity deficit is the product of decades of underinvestment, corruption, inefficiencies, and weak institutions. Nonetheless, Power Africa has much in its favor and is off to a promising start.

Sub-Saharan Africa's electricity gap is immense, and the continent lags far behind other regions of the developing world in generation capacity and

access. More than 600 million people (70 percent of the population) lack access to electricity, and the continent's combined generation capacity is less than that of South Korea—just 90 gigawatts—with half of that capacity in South Africa. The problem is particularly acute in rural areas, where less than 10 percent of households have access to electricity. But no sector or community is unaffected. Power shortages in Africa are estimated to hold back GDP growth rates by 2 to 4 percent annually, and intermittent electricity supply means that businesses, schools, hospitals, and government institutions must spend exorbitant amounts on back-up generators and diesel to remain in operation. If African states are to build out their economies, attract investment, and expand job opportunities for their growing populations, they will have to make electricity generation and access an urgent priority.

POWER AFRICA HAS THE RIGHT APPROACH

The initiative has set ambitious targets: it aims to expand generation capacity by one-third—add-

ing 30,000 megawatts (MW) of capacity—and to double electricity access by adding 60 million new connections to households and businesses, through both on- and off-grid solutions. A Road Map published in February 2016 lays out in persuasive detail how the initiative plans to meet these goals and what calculations informed its choices. It is an impressive document and is accompanied by a publicly available online tracking tool that will measure progress—and identify setbacks—as the project goes forward.

Power Africa plays to the strengths of a range of U.S. domestic agencies, the State Department, USAID, the Millennium Challenge Account, among others, and notably the Overseas Private Investment Corporation (OPIC), the Ex-Im Bank, and the Department of Commerce, all of which have become increasingly important players in U.S. development policy as catalysts for greater private-sector engagement. Central to Power Africa’s approach is to leverage the interests and assets of private-sector investors—in both the United States and Africa—with support that ranges from feasibility studies and project preparation to innovative financing and risk guarantees. At the same time, it seeks to strengthen the capacity of African governments to attract the right mix of investors, finalize deals, and manage power-sector development with vision and strategy. It gives particular attention to incentivizing investment in renewables and promoting innovative solutions to expand off-grid access. It is not a high-cost initiative. Much of the \$7 billion committed by the U.S. government is in the form of loans and loan guarantees (the \$7 billion price tag is somewhat misleading), and already that commitment has helped mobilize \$43 billion in commitments from private and public partners.

The initiative arrives at a critical moment of opportunity, as donor states and African leaders, development advocates, and corporate CEOs all are thinking more strategically about the trans-

formational impact that improved access to electricity can have—from the most remote of rural communities to the continent’s dynamic and expanding megacities. The downturn in global commodity prices and the structural shifts in the Chinese economy have hit African energy and mineral producers hard, bringing home in stark terms the need to diversify their economies, expand their tax base, and halt the outflow of financial resources due to corruption and institutional inefficiency. It comes at a moment when a number of noncommodity producers—notably Kenya and Ethiopia—are beginning to demonstrate the payoffs that strategic investment and management in the energy sector can have.

Today, more African governments are recognizing the untapped potential of natural gas for domestic consumption, and major new gas discoveries off the East African coastline are adding to the continent’s abundant resource base. Renewable energy sources are becoming more commercially attractive, and lower-cost solar technologies are prompting rising interest by forward-looking entrepreneurs. The Kenya-based M-Kopa Solar, for example, offers rural households “kits” of appliances—lights, radio, phone charger, flashlight—powered by off-grid, pay-as-you-go solar panels and today has more than 300,000 household customers in East Africa. While the majority of Power Africa’s “new” generation contribution will derive from natural gas (followed by hydropower), solar power will contribute a growing and significant proportion in coming years, with more modest expansions from wind, geothermal, and power plant improvements.

BUT WILL POWER AFRICA SUCCEED?

The initiative’s envisioned timeline is longer than those of most other development initiatives. That is a point in its favor, and necessary, given that a single power transaction can take many years and sectoral reforms much longer. Since

its inception, the initiative has helped close deals on just over 4,000 MW, a small step toward its larger goal, but already an amount equivalent to what Nigeria currently generates. But the longer timeframe may make it more difficult to sustain the enthusiasm and support of U.S. policymakers and African government partners. The Electrify Africa Act, passed in early 2016 with strong bipartisan support, will ensure that the principles and objectives of Power Africa endure beyond the current administration. But debates about the balance of renewables versus nonrenewables, and partisan ambivalence about the Overseas Private Investment Corporation (OPIC) and Ex-Im Bank may knock the initiative off-course.

Most important to Power Africa's success will be whether African governments take advantage of the opportunity that the United States and other global efforts provide. African leaders will need to make some hard political choices to overhaul their power sectors, reduce costly subsidies and inefficiencies, and plan for the long term. They will also need to have skin in the game, expanding domestic revenue collection and making smart public investments in building infrastructure and access. Governments in Africa and beyond will also need to work harder to eliminate the scourge of corruption. An estimated \$60 billion per year flows out of Africa due to malfeasance by international corporations and government officials. That is roughly equivalent to the estimated annual amount needed to bridge Africa's power gap over the next 20 years.●

The Future of the Global Health Agenda

Nellie Bristol and J. Stephen Morrison

The U.S. government’s global health investments, largely to fight infectious diseases and promote maternal and child health, have attracted strong bipartisan support from the White House and Congress for the past decade and a half. Other donors, including the United Kingdom, the Bill & Melinda Gates Foundation, and the World Bank, also remain robust in their commitments. Yet, there is reason to be cautious about the future. Across all donors, aggregate funding for global health has been flat, is likely to remain so in the future, and may even decline.

A number of factors threaten to divert attention and resources now devoted to sustained health improvements in low- and middle-income countries. There is increased competition from other development priorities, including climate change mitigation, now enshrined in the UN’s Sustainable Development Goals (SDGs). Urgent health security requirements—including Ebola, Zika, and other emerging infectious disease threats—consume sizable emergency resources.

In addition, the global refugee crisis—currently producing over 60 million displaced persons worldwide, the highest since World War II—is staking formidable claims on budgets: witness the \$11 billion pledged for Syrian refugees at the London donors summit last February and the subsequent EU commitment of \$7 billion in refugee assistance to Turkey.

At home in the United States, the bipartisan consensus around sustained U.S. engagement of global health might diminish precipitously as an angry antiestablishment and nativist sentiment gains ground across parties and the Republican presidential primaries have riven the party and raised the possibility of extended confrontations and disorder.

Losing broad, diverse support for global health would be a distressing reversal of recent history. While development assistance for health rose an average of 1 percent a year since 2010, that trend follows a “golden age” of global health funding from the previous decade when year-to-

year increases averaged 11 percent, according to the Institute for Health Metrics and Evaluation (IHME). The United States remains a leader in global health financing, providing more than \$13 billion in 2015, 36 percent of the world's total, IHME reports. In addition to providing financial and technical support to countries on a bilateral basis, the United States has contributed generously to multilateral organizations like the Global Fund to Fight AIDS, Tuberculosis and Malaria and Gavi, the Vaccine Alliance, which helps the poorest countries purchase and administer life-saving vaccines.

The investment has paid off. The Global Fund and Gavi both are solid successes. The President's Emergency Plan for AIDS Relief (PEPFAR), formed under the direction of George W. Bush and nurtured further by Barack Obama, is credited with saving millions of lives and today accounts for almost 10 million persons on life-sustaining antiretroviral treatment. PEPFAR's investments now exceed \$65 billion, making it the single-largest initiative in the history of global health. The President's Malaria Initiative, another Bush start-up, has helped significantly reduce deaths among children under 5 in its focus countries.

While helping countries confront their own health challenges, U.S. funding is bolstering worldwide disease detection and response capabilities by funding laboratory and surveillance improvements under the Global Health Security Agenda, an initiative advanced by the Obama administration. Of the \$5.4 billion in emergency funds committed to Ebola in December 2015, \$1 billion was committed to building basic capacities in the three countries hardest hit by Ebola (Sierra Leone, Guinea, and Liberia) and 14 other fragile states, the vast majority in Africa.

But the job is far from complete. While many countries have increased their GDPs, evidence shows that too often, domestic health investments are not keeping pace with economic growth, as

many expected. Health inequities are extreme in many countries, and are often worsening. While portions of the population now enjoy access to the global economy and modern health services, the remainder subsists on poverty-level wages and antiquated, faltering modes of health delivery.

Further, inadequate health systems and disease-response mechanisms leave the United States vulnerable to imported diseases. The recent measles outbreak in California is one example. The Ebola scare and the threat of Zika vividly illustrate how quickly diseases can spread in today's world and threaten catastrophe here at home.

While recent epidemics have generated much-needed attention to the potential of disease importation and the U.S. government has responded with financing and other resources, they also pointed up serious flaws in the current course of action. Responding only to the latest outbreak rather than thoughtfully engineering a more systematic approach to improving health does little to establish long-term protection for the U.S. population.

The recent congressional response to Zika shows how misguided frugality and political considerations can damage long-term public health. Many have argued that if West African countries most affected by Ebola had stronger primary health care and disease-detection capacity, the epidemic would have been more easily contained. Yet, as Zika threatens the United States, Congress rejected a White House call for \$1.9 billion to address the disease, instead reprogramming \$589 million in "unused" funding appropriated for the Ebola response. While the immediate Ebola crisis is considered to be over, the additional funding could have been used to bolster health capacity in vulnerable regions to mitigate future outbreaks.

The approach is short sighted. The U.S. government's successful and much-needed funding of disease-specific programs should be comple-

mented with long-term, sustainable funding to improve health systems and disease response. The Global Health Security Agenda is a good start, but the program needs sustainable, predictable support for it to make a concrete difference for the long haul.

At the same time, uncertainties in global health financing will require achieving higher efficiencies in the use of donor resources as will finding better means to motivate national governments to devote at higher levels to health and incentivize private companies to invest more in delivering health services, providing commodities, and building procurement systems and human capital in health in low-income countries.

Further, in addition to weaving together current U.S. global health programs into a more holistic effort, policymakers should look to better connect health with broader development efforts, including those outlined in the SDGs. The 17 goals address a range of critical issues that affect rich and poor countries alike including poverty, educational attainment, women's empowerment, infrastructure improvements, and climate protection. All of those ultimately affect health and should be pursued in partnership with other donor governments as well as developing countries.

A solid global health system that can tend to the needs of all and stop emerging diseases where they start makes the world safer and more secure for U.S. citizens and should remain a top-level priority for America's leaders. Toward that end, there should be a concerted effort to leverage the deep and broad U.S. coalition that supports global health, which includes Democrats and Republicans, civil society, industry, advocates, the faith community, powerful foundations, and activist celebrities. The alliance has matured considerably over the last decade and a half and remains pivotal to sustaining a bipartisan consensus around heavy U.S. engagement in global health.●

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