

Strengthening America's Global Development Partnerships: A Policy Blueprint for Better Collaboration Between the U.S. Government, Business and Civil Society

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In the face of compounding global crises threatening development, the outdated U.S. foreign assistance system must catch up to a changed landscape of influential actors including corporations, mega-foundations, faith-based organizations and other non-governmental groups. Within the context of broader foreign assistance reform, the Obama administration and Congress have an opportunity to retool official U.S. efforts to more effectively and efficiently support global development by adapting to this new ecosystem. This paper offers recommendations on how the U.S. government can better position itself by:

- Strengthening its capabilities to make innovative and strategic investments;
- Encouraging cross-sector partnerships aligned with core competencies;
- Promoting international service, professional exchanges and citizen engagement;
- Supporting development of global norms and guidelines; and
- Leveraging the bully pulpit to mobilize stakeholders.

The Opportunity to Adapt to the New Global Development Ecosystem

Newly Prominent Development Players

Private interest in global poverty alleviation is changing the way America engages in international development. Since 1970, net private aid flowing from the United States to the developing world has increased almost fivefold. According to data from the Organisation for Economic Cooperation and Development and the Hudson Institute, it now accounts for roughly 65 percent of the total foreign assistance flow to developing countries from the United States, which includes contributions from foundations, corporations, private voluntary organizations, volunteerism, institutions of higher education and religious organizations alongside U.S. official development assistance. These private flows have become a hallmark of the new development landscape. When coupled with remittances and private sector financial flows characterized by commercial bank loans, equity portfolio investments and foreign direct investment, non-official resources accounted for approximately 91 percent of the total U.S. resources bound for developing countries in 2007.

In addition to financial resources, these newly prominent players are infusing the development community with a healthy dose of innovation. With their roots in business, finance, new media and technology, these players have been receptive to sector blurring with financiers investing in social entrepreneurs and philanthropists looking for ways to seed indigenous business enterprises. Meanwhile, activism in antipoverty campaigns has swelled as globally networked young people heed the call of celebrity advocates and their peers to volunteer abroad and lobby politicians on behalf of the world's poor.

To ensure that these resources amount to more than the sum of their parts, the Obama administration must adapt current government structures and processes to take a lead in coordinating and supporting these diverse development players. This need is more urgent than ever in the face of the global economic crisis and climate change.

Compounding Global Crises

The current global economic crisis stemmed from financial implosion in the wealthiest of nations but the ripple effects will continue to be felt most in developing countries. Although the poorest countries may have been at first insulated from the most direct and immediate shocks of the global crisis because of their weaker connections to global financial markets, they are now faced with changes in commodity prices, contracted remittances, diminished foreign direct investment, depressed demand for exports and increased calls for protectionism. These challenges pose significant setbacks for populations that have recently reduced poverty and experienced economic growth. The broader economic crisis immediately follows a hunger crisis in which world food prices shot up as a result of multiple factors including bio-fuel and land use policies, high oil prices, increased demand in emerging economies for high-input foods, population growth and extreme weather. As a result of these crises, the already meager prospect of achieving the Millennium Development Goals by their 2015 target is now further fading.

On top of this economic storm, many of the world's least developed countries are already suffering adverse effects of climate change—a challenge that further threatens hard-won development gains through its likely impact on agricultural production, water scarcity, biodiversity loss, health and natural disasters. Low-income countries will be disproportionately vulnerable to these negative impacts. The climate crisis also has ramifications for development assistance itself. Climate adaptation funding and activities will increasingly have to be integrated into broader programs focused on poverty reduction and economic growth, and donor assistance projects will progressively have to contend with their carbon footprints. The considerable negative impacts of the global climate and economic crises on the poorest communities in the world, coupled with constrained public resources for official development assistance, mean that global development actors must retool their efforts and look for opportunities to leverage each other's resources through more effective collaboration.

Bipartisan Support for Foreign Assistance Reform

Within this broader global context is the present political opportunity to reform the official foreign assistance system of the United States, the world's largest individual donor. The finding of many governmental and academic commissions, task forces and reports over the last several years is clear: U.S. foreign assistance—and specifically the U.S. effort to support global development—desperately needs fundamental reform to become more strategic, coherent and organizationally rational. This top-line conclusion has led to the current groundswell of bipartisan support for a modernization of foreign assistance that raises the status and effectiveness of global development within the U.S. government. During the 2008 presidential campaign, both the Republican and the Democratic party platforms included language along these lines, and then-candidate Barack Obama pledged to elevate, streamline and empower a 21st century U.S. development agency. Related debates now focus on how best to revamp the policies, structures, statutes, programs and resources of the government to best guide global development investments.

The political will to commence and complete a truly fundamental overhaul of U.S. foreign assistance remains in question, but statements by President Obama and his top foreign policy and national security officials indicate that the administration views more effective aid as critical to U.S. national security. A [Brookings-CSIS task force](#) found that the best opportunity for fundamental reform is in the first year of a new administration and this is further supported by Larry Nowels' research, published in [Security by Other Means](#), on past efforts to reform U.S. foreign aid.

In the light of the new global development ecosystem, as the Obama administration and Congress navigate core foreign assistance reforms, they should consider ways to more effectively partner with and support newly prominent non-governmental and corporate players.

Early Progress on Reform and Partnerships

Only a few months into their tenures, the Obama administration and the 111th Congress have already initiated efforts that present opportunities to strengthen America's global development partnerships. Since taking office, Secretary of State Hillary Clinton has consistently voiced her support for making development an equal partner, along with defense and diplomacy, in advancing U.S. national security. In April 2009, she also announced the launch of the Global Partnership Initiative to facilitate the expansion of current partnerships with business and non-governmental organizations and the creation of new ones. Additionally, Secretary Clinton's designation of Elizabeth Bagley, a politically connected diplomat, to lead the initiative along with Kris Balderston, one of Clinton's close advisers, serves as a sign of her significant interest in this area.

The administration has also established the White House Office of Social Innovation and Civic Participation, a new entity aimed at helping nonprofit groups and social entrepreneurs expand successful programs. If applied internationally, as well as domestically, this exciting new effort could play an important role in a new U.S. government approach to global development partnerships. Another encouraging step is the "Edward M. Kennedy Serve America Act," which Congress recently passed and the President signed into law in April 2009. The global provisions of the Act authorize private sector-supported matching grants that could encourage skilled volunteers to work overseas on development challenges through non-governmental organizations. In May 2009, the President announced a \$63 billion commitment over six years to tackle global health issues such as HIV/AIDS, tuberculosis, malaria, and maternal health, building on the success of the President's Emergency Plan for AIDS Relief (PEPFAR), one of the most significant foreign assistance programs of the previous administration. It is still unclear what shape these nascent efforts will take as they develop, and President Obama's designee to head USAID should figure prominently in guiding foreign assistance reform, but early signs indicate clear recognition of the need and opportunity to strengthen partnerships.

Further activity in Congress also portends opportunities for the government to adapt to the new ecosystem. Highlighting that foreign assistance programs are fragmented across far too many departments, agencies and offices of the government, Representative Howard Berman, Chairman of the House Committee on Foreign Affairs, recently introduced the bipartisan "Initiating Foreign Assistance Reform Act of 2009." Among other changes, this legislation would require a national strategy for global development, intended to improve coordination within the U.S. government and with the broader landscape of global development actors. Senator John Kerry has also publicly called for a foreign aid reform process in the cause of strong, effective assistance in fighting poverty. As each of these committee chairmen and other Congressional champions for development push the legislative branch to pay more attention to the inner workings of U.S. foreign assistance, they are helping to sustain momentum toward a model of more effective and efficient collaboration with the broader array of global development actors.

Recommendations

Today, no set of recommendations on mobilizing resources for development or ensuring greater accountability for development outcomes is complete without some reference to the need for public-private partnerships, corporate-NGO alliances or multi-stakeholder coalitions. While most policy discussions of U.S. foreign assistance and the broader global development landscape now perfunctorily reference the need for government, the private sector and civil society to work in better partnership, they are often vague in terms of what this means in practice. With this in mind, we have engaged in research on public-private partnering that draws upon multiple streams of ongoing analysis at the Global Economy and Development program at Brookings in the areas of [U.S. foreign assistance reform](#), [Global Development 2.0](#), and [international volunteering and service](#), as well as research undertaken by the [Corporate Social Responsibility Initiative](#) at Harvard's Kennedy School of Government.

The effort included two dialogues spanning the summer and fall of 2008, during which Brookings convened a group of high-level stakeholders from the business, NGO, research and foundation communities. The group explored innovative ways the U.S. government might invest differently in terms of its own organizational capacity and partnerships to effectively leverage the proliferation of diverse and influential new development actors. The dialogues and our related research leads us to conclude that the following initiatives are required to better position the U.S. government within the 21st century global development landscape:

1. Strengthen U.S. Government Capabilities to Make Innovative and Strategic Investments

1.1 Enhance the ability to recruit and retain professional and technical expertise:

This is particularly important for the U.S. Agency for International Development (USAID), which has for years been diagnosed as suffering from a human capital crisis. The overall staff size and level of technical expertise at USAID plummeted over the past two decades. According to a report by the American Academy of Diplomacy and the Stimson Center, USAID had a staff of nearly 3,500 administering \$5 billion per year in assistance in 1990 but by 2008 the agency had only 2,200 direct-hire personnel administering more than \$8 billion annually. The larger amount of assistance managed by an insufficient number of professionals has resulted in an ever greater reliance on contracting and larger contracts with less oversight.

The ongoing Development Leadership Initiative (DLI) appears on-track to infuse the agency with a new generation of personnel and aims to double the number of American Foreign Service officers within USAID by 2013. To revitalize USAID from a contracting agency to a professional development institution will require investment beyond more Foreign Service officers. USAID also needs to reform its human resources systems, successfully recruit more mid-career professionals, and invest in ongoing management and technical training. With deeper in-house expertise in science and technology, the agency will be better equipped to understand, track and leverage the work of the private sector, universities, and foundations. Additionally, both USAID and the State Department should expand upon the limited capacity that exists to engage directly in public-private partnerships through the Global Development Alliance and the Development Credit Authority at USAID and the Global Partnership Initiative at the State Department.

1.2 Establish a prestigious cross-sector Development Partnerships Fellows Program:

A new leadership development program focused on building cross-sector partnering skills and networks could help to strengthen U.S. government capacity to partner more effectively. This could be developed along the lines of some of the current leadership and exchange programs that exist in government, such as the White House Fellows and Franklin Fellows, but with a two-year workplace-based element that includes experience in the business, nongovernmental (NGO) and government sectors, task-oriented partnership projects in the field, engagement with the United Nations system and global multi-stakeholder initiatives, and opportunities to interact with senior U.S. officials and leaders outside of government in the corporate, financial, non-governmental, technology and research communities.

1.3 Improve interagency cooperation:

While a revitalized and reformed development agency should have the expertise with the authority to be the U.S. government's responsible party for global development partnerships, it is also important for the government's various foreign policy partnership efforts—which are often undertaken with the same or complimentary industries, companies and civil society organizations—to be coordinated. When it comes to sharing information about partnering activities and relationships, a seamless process should exist between OPIC, USAID, the Millennium Challenge Corporation (MCC), the U.S. Trade and Development Agency, the Export-Import Bank, the Department of Agriculture, the Department of Health and Human Services (DHS), the Department of Labor, and programs managed by the State Department in areas including global AIDS relief, public diplomacy and human rights. The Global Partnership Center at the State Department, presumably in conjunction with the related new Global Partnership Initiative, is poised to serve as a clearinghouse, but these efforts must be given regular budgets and permanent staff.

1.4 Demand policy coherence:

Global development policy coordination must also improve in a way that fosters better connections between trade, aid, and debt policies as well as between policies related to global climate change, global public health and development. As exemplified by the efforts of the Initiative for Global Development, the Business Council for Global Development and the Modernizing Foreign Assistance Network, a number of NGOs and corporations are calling for greater coherence in these areas. This could happen through a combination of reforms involving high-level policy coordination from the White House, integrated task forces at the field level, and an empowered agency that leads development policy and assistance in accordance with a routinely updated national strategy for global development.

1.5 Support social entrepreneurship for global development in addition to domestic concerns:

From the examples of the Grameen Bank to recent innovations like Kiva.org, microcredit is a poverty reduction method that epitomizes the value of social entrepreneurship in the field of global development. The past decade has seen a burgeoning of similar social enterprise in a wide range of other areas, from health and education to access to energy and water. As the U.S. government modernizes its approach to global development and assistance, it should find ways to institutionalize strong support for innovative social ventures. The White House Office of Social Innovation and Civic Participation (SICP) is housed under the Domestic Policy Council and therefore currently situated to focus on domestic issues. Guided by Sonal Shah and Michele Jolin, prominent voices in global engagement and international development, it will be a missed opportunity if this capacity—created to help catalyze social change-makers among citizens, non-profits, foundations and the private sector—does not also formally connect with U.S. foreign assistance efforts and with an increasingly vocal and energized public supportive of global poverty reduction. The lessons that will be learned as SICP experiments with public-private partnership models, new media tools to spur civic engagement, and a social innovation fund to invest in proven approaches to poverty alleviation should not be limited to accelerating progress at home when national interests and morality guide the U.S. to also seek pro-poor growth abroad.

1.6 Establish a fund for replicating and scaling successful innovation:

When a subset of innovation investments proves successful, there is a need to replicate them and scale them up. U.S. development efforts overseas could benefit from a fund for this purpose. The United States could begin by launching a low-cost pilot in several countries to fund the replication of projects that have a track record of delivery and meet transparent criteria for scaled up investment. These prerequisites are contingent upon a sound system of monitoring and evaluation to gauge performance as well as accurate project finance information to determine the feasibility of scaling up. The fund should be established along with appropriate authority at the level of field missions to quickly allocate relatively modest amounts of money toward projects deemed worthy. The fund itself could be created in partnership with foundations and corporate partners. To encourage interagency coordination and local ownership, a partnership approach could apply to the project selection process with a decision-making board that includes the chief of mission, USAID mission director, and other relevant members of the U.S. country team alongside local representatives from the host country, civil society, research institutions and the private sector.

1.7 Expand partnership models to support small and medium enterprises in developing countries:

While widespread attention and resources have been focused on microfinance, insufficient amounts of funding, especially for equity capital and technical assistance, are going to develop and finance small and growing businesses in the developing world. Such enterprises have been, and continue to be, economic drivers in developed economies, and they will be equally essential to driving income and employment growth and the creation of a middle class in developing countries. The Obama administration recently announced two initiatives that in principle exemplify the value of partnerships in supporting aspiring small business owners committed to locally-led development. The Microfinance Growth Fund is designed to be a public-private endeavor that makes loans to institutions that fund micro and small enterprises in Latin America and the Caribbean. Initiated by the Inter-American Development Bank, the U.S. Overseas Private Investment Corporation (OPIC), and the Inter-American Investment Corporation, this regional fund will be administered by a private company and is seeking further investment from the private sector. The African Technical Assistance Initiative is a joint effort by OPIC and USAID to provide capital and business management support through average matched grants of \$25,000 to small- and medium-size enterprises in sub-Saharan Africa. The U.S. government should also consider engaging with and supporting the Aspen Network of Development Entrepreneurs (ANDE) —a recently established

network of entrepreneurial leaders, foundations and investors who will collaborate to develop and finance thousands of small and growing businesses in the developing world.

1.8 Invest in collaborative research and development:

The U.S. government could establish a global development equivalent of the U.S. Defense Advanced Research Projects Agency (DARPA). This effort could also draw on lessons from the Canadian government's International Development Research Center (IDRC). At a minimum, as the U.S. development agency deepens its technical expertise, it should establish more systematic links and funding relationships with domestic research institutions that are pioneering new technologies for the developing world (such as the Blum Center for Developing Economies at the University of California, Berkeley, the Earth Institute at Columbia University, the Massachusetts Institute of Technology Media Lab and the William Davidson Institute at the University of Michigan). Given the centrality of land use in developing countries to food security and climate change (both in terms of adaptation and mitigation), advanced research in this area is just one of many examples of topics ripe for further investment.

1.9 Reinforce credit guarantee and other risk management programs, especially for fragile states:

As highlighted by recent years of engagement in Afghanistan and Iraq, as well as current attention to Pakistan and the Horn of Africa, fragile states are a central focus of U.S. foreign policy and assistance. So too are other states emerging from conflict and humanitarian crisis where private investment and long-term development assistance are crucial to sustained recovery, but often limited by the high risks and costs associated with operating in these locations. More work needs to be done by the U.S. government, in partnership with other development agencies and international financial institutions, to develop effective and robust risk management options to encourage more companies and NGOs to invest and operate in these countries.

1.10 Partner with other donors and multilaterals:

Many of the very institutions that epitomize the new global development ecosystem—multinational corporations, NGO groups based on multiple continents and mega-foundations with global reach—also engage in partnerships with other official donors alongside host countries. Adaptation to the changed landscape cannot be successful unless the U.S. government reaches out to bilateral donors and multilateral organizations in a new way that incorporates and seeks to coordinate partnerships with foundations, corporations, NGOs, universities and faith-based organizations. The U.S. should also employ its influence as a member of multilateral finance and development institutions to push those organizations in the direction of more effective partnerships. Outreach efforts should also include emergent bilateral donors such as China, Russia, the Gulf States and other transition economies that now provide international development aid. As noted in [analysis of the new aid landscape](#) by our Brookings colleague, Homi Kharas, "Providing assistance to poor countries is no longer the sole province of rich countries." U.S. outreach is handicapped by the fact that no single agency represents the U.S. on development issues and by institutionalized hurdles against packaging programs with other countries' funds. These issues must be addressed as a part of any larger foreign assistance reform effort.

2. Encourage Cross-Sector Partnerships Aligned with Core Competencies

Partnerships between the U.S. government and other development players can help to overcome some of the institutional constraints and market barriers that impede progress toward international development goals and can enable the government to use its precious development resources as strategically and effectively as possible. Yet building such partnerships is often a challenging and time-consuming process, involving high transaction costs and obstacles due to mistrust, misunderstanding and misaligned incentives between the different sectors. Inherent suspicions within government and the NGO community about corporate motives, for example, hamper many development partnerships and often result in arrangements that are focused on traditional corporate philanthropy rather than the mainstream business. Equally, too often the companies themselves look at engagement in development issues as a philanthropic add-on, rather than something to which they can apply their core competencies. While corporate philanthropy plays a valuable role, the greatest contribution that most companies can make to development is through mobilizing their core skills, technologies, resources, business models and value chains. Corporate philanthropy itself can be more effectively aligned with and leveraged through these core competencies.

In recent years, the U.S. Government has started to play a more proactive role as a broker and catalyst for these new types of competence-led partnerships through initiatives such as the State Department's Global Partnerships Center and its Office for International Labor and Corporate Social Responsibility, USAID's Global Development Alliance, OPIC's Partners Program, MCC's Office of Private Sector Initiatives, the Office of Global Health Partnerships in the Department of Health and Human Services, and the Office of Sustainable Development Partnerships in the Department of Agriculture. Such partnership building efforts need to be better resourced and coordinated in order to make more effective use of the innovation, research and development, financial, managerial, logistical, marketing, strategic planning and network competencies of the private sector. Ongoing efforts are also needed to develop the necessary legal and management tools within the U.S. government to allow for more strategic and flexible interactions with these other development partners, while still ensuring public accountability and transparency in terms of process and outcomes. Six areas where the government can play a particularly important role to increase the number and impact of competence-led partnerships are as follows:

2.1 Evaluate and expand the use of global framework agreements between the government corporate and NGO sectors:

The U.S. government has a long history of contractual relationships with the private and NGO sector, but has only recently started to develop the tools to engage in more strategic development alliances. A number of government agencies have started to implement global framework agreements or Memoranda of Understanding geared specifically toward more strategic engagement. In some cases these have been created between an individual government agency and company or NGO. In a few situations, several agencies have participated in the same agreement. USAID, PEPFAR and the MCC, for example, signed a joint five-year partnership agreement with Microsoft in 2007 to work with the company's Unlimited Potential program in order to increase the application of information technology in the areas of disaster response, health, education, youth empowerment, economic opportunity, and improved governance. USAID has signed individual framework agreements with Cisco Systems, Starbucks, Coca-Cola, Intel, Evensen Dodge, Seabord, Global Sustainable Tourism, and Rotary International, aimed at focusing on explicit goals in specific sets of countries. In 2008, the MCC entered into a similar agreement with General Electric focused on the provision of technology and expertise in areas such as water treatment, health care, transportation, energy and the environment. These initiatives are still new, but current agreements should be evaluated by all the parties concerned and strategies developed to improve and replicate them.

2.2 Work with coalitions of companies and NGOs:

In addition to establishing strategic global framework agreements with individual companies and NGOs, the U.S. Government should also commit more resources to support industry-wide or multi-stakeholder coalitions targeted at addressing clearly defined development issues. While such collective efforts are more challenging to establish and govern than one-to-one partnerships, they can help to minimize reputation and operational risks for all parties involved, while also increasing the scale and sustainability of the development impact. Successful examples to date include global health partnerships such as the GAVI Alliance and the Global Alliance for Improved Nutrition (GAIN), which have mobilized dozens of companies, governmental agencies and NGOs to play a groundbreaking role in overcoming barriers to the discovery, development and delivery of essential medicines and micronutrients in developing countries. In the case of GAVI, for example, WHO projects that between the years of 2000 (when it was established) and 2008, the Alliance has prevented some 3.4 million premature deaths through significantly increasing the number of children who have access to immunization. Similar coalitions are emerging in other sectors and warrant further support from the U.S. Government.

2.3 Scale-up the application of world-class technology:

The links between technology innovation and development are growing as a result of competence-led alliances between the government, research institutes and some of America's leading companies and social enterprises in information and communications technology (ICT), life sciences and biotechnology, and low-carbon technology. These alliances are helping developing countries to leapfrog to world-class but affordable technology-enabled solutions in areas ranging from e-education, e-health and social services, to agriculture, energy and mobile financial services. More creative financing mechanisms and incentives, such as challenge funds, shared innovation platforms, fiscal measures, and awards along the lines of the X Prize could help to hasten and scale the development and application of high-tech solutions to development.

2.4 Harness financial innovation for social gain:

Public trust in the financial sector is understandably low in the face of the irresponsible, under-regulated and over-leveraged “financial engineering” that precipitated the global economic crisis. Yet sound financial innovation remains essential for tackling global poverty. If anything, the need is greater than before to develop “hybrid” financial instruments, either combinations of public-private capital or social-commercial finance that can help to fund development solutions that neither the market nor public sector can tackle on their own. Examples that merit further government and private sector engagement include efforts to transfer lessons from the microfinance movement to small business financing and to making more effective use of remittances. At the international level, hybrid financial mechanisms such as the Global Fund to Fight AIDS, Tuberculosis and Malaria and the International Finance Facility for Immunization offer useful models for funding beyond the health sector, with the need for innovative funds in the areas of education, climate adaptation, energy and water particularly pressing.

2.5 Mobilize multi-sector logistics capabilities for humanitarian relief:

The number and human cost of humanitarian disasters is on the rise. Analysis by Oxfam International of the 6,500 climate-related disasters recorded since 1980 show that the numbers of people affected by extreme weather events, many of which are linked to climate change, has doubled in just 30 years and is expected to increase a further 54 percent to more than 375 million people a year on average by 2015. The figure does not include people hit by other disasters such as wars, earthquakes and volcanoes. American corporations and humanitarian organizations have arguably some of the most impressive logistics capabilities in the world, especially if aligned more effectively with the logistics capacity of the military and with key UN agencies such as the World Food Programme (WFP). In recent years, a variety of collaborative initiatives have been established to focus on improving disaster preparedness, response and recovery efforts both at home and abroad. These initiatives offer one of the country’s most effective mechanisms for both global diplomacy and development and they need to be further scaled and strengthened.

2.6 Make global value chains work for the poor:

The creation of more inclusive business models that directly and explicitly integrate the poor as producers, suppliers, employees, distributors and customers along global value chains is another competence-led approach to poverty alleviation that often requires new types of partnership between companies, NGOs and the government. In agriculture, for example, companies such as Starbucks, Green Mountain Coffee, Cargill, Mars, Monsanto, Wal-Mart and SABMiller are working with USAID, the U.S. Department of Agriculture, the UN and other government’s development agencies, as well as social enterprises and NGOs such as Mercy Corps, TechnoServe, Root Capital, CARE and Conservation International to increase the level and stability of rural incomes for millions of small-scale farmers in developing countries, while also spreading more sustainable agricultural practices. Consumer goods companies such as Coca-Cola and Unilever are creating millions of jobs for small and micro-enterprises as distributors and retailers at the other end of their value chains. Coca-Cola’s Manual Distribution Center model in Africa, for example, has created over 2,500 small enterprises since 1999, and the company works with some 900,000 retail outlets in Africa. Textile, toy and footwear companies are moving beyond tackling child labor and “sweatshop” factory conditions in developing countries, although both remain a challenge, to work with governments and NGOs in the delivery of reproductive health services and skills development to the millions of mostly young women working in their contract factories.

Similar potential exists in other global value chains and competence-led partnerships are more essential than ever to sustain progress in the face of the economic crisis and looming trade protectionism. The U.S. Government can play an essential role in helping to fund and build the capacity of developing country governments, businesses and NGOs to participate in these value chain initiatives.

3. Promote International Service, Professional Exchanges and Citizen Engagement

According to the Center for Global Prosperity at the Hudson Institute, more than one million Americans traveled abroad in 2007 to volunteer. An additional 341,000 volunteers contributed to international assistance causes in the United States. The institute estimates that volunteerism in the United States for organizations or efforts

aimed at the developing world should be valued at \$3.5 billion. The U.S. Government could work with business, universities and civil society organizations in the following ways to help increase both the number of citizens and organizations engaged in such efforts and the quantity and quality of resources they are mobilizing for development:

3.1 Expand leadership and professional exchanges:

This calls not only for an increase in outward bound service initiatives such as the Peace Corps and international service programs led by professional associations such as the American Bar Association and Engineers Without Borders, but also in two-way exchanges. One example is the recently launched Frontier 100, led by the Initiative for Global Development that matches some of Africa's most successful entrepreneurs and business leaders who have made public commitments to support broader development efforts with their counterparts in major American corporations. Allocating public funding for such efforts and including more corporate and civic leaders on U.S. Government diplomatic and trade missions to developing countries are two ways in which the government can catalyze further exchanges.

3.2 Mobilize retirees and graduate students for international service:

A variety of NGOs, universities and faith-based groups already facilitate international service in developing countries by retired executives and professionals and support similar programs for students. There is potential to dramatically increase the number of people participating in such initiatives. Companies themselves could become a more effective vehicle for mobilizing such engagement for their retirees, many of who remain in regular contact with their former employer as shareholders or through benefits programs. For example, IBM, GE and Microsoft, among others, have established philanthropic alumni networks and these could be directed toward global development challenges to great effect. The Committee Encouraging Corporate Philanthropy estimates that about 40 percent of major US corporations already support employee-volunteering efforts around the world, engaging millions of current employees in a wide range of countries and development issues. Targeted support and incentives from government could enable these companies, as well as NGOs, universities and faith-based organizations to harness the skills of many more retirees and graduate students.

3.3 Establish a Corporation for International Study and Service:

Official U.S.-supported service, volunteering, and educational exchange opportunities overseas should be drawn together under a Corporation for International Study and Service, a globally oriented analog to the existing domestic Corporation for National and Community Service. As expanded upon in [analysis](#) by Kevin Quigley, President of the National Peace Corps Association, and Brookings scholar Lex Rieffel, such a coordinating entity could house the Peace Corps as well as other international study and service programs while depoliticizing such efforts through a non-partisan governing structure involving private citizens. While such a structural shift would provide an opportunity to raise the profile of international volunteering and study, it would have to be closely coordinated with the State Department, USAID, and the Peace Corps since each organization currently has separate programs that would logically fall under the coordination responsibilities of the new Corporation.

3.4 Leverage new media and information technology platforms:

Thanks to the power of information technology, international "service" no longer requires people to physically travel to developing countries. Whether it is the growing impact and sophistication of on-line advocacy initiatives such as the ONE campaign, or efforts to get American citizens to send money to NGOs and even directly to micro-entrepreneurs and community projects in developing countries, we are only just beginning to harness the power of the Internet and new media. Facebook, for example, lists some 179,000 causes, and more than 25 million of Facebook's 200 million users worldwide have signed on as supporters of at least one cause, although less than 200,000 have contributed money through the site. Kiva.org, which channels money to micro-entrepreneurs, now has more than 486,000 lenders on its site, and in a few evenings in 2008 the television show "Idol Gives Back" raised more than \$64 million for domestic and international development charities. Many corporations have "matching funds" programs for their employees—for each dollar an employee contributes to or raises for charitable purposes the company will match the amount. One idea for the U.S. Government to consider would be to support a creative media and on-line "matching fund" effort for American citizens, focused on a specific set of development challenges or time period. Such an initiative could be aimed at raising

additional resources, but would be equally important for raising awareness and engagement of American citizens in global development issues.

4. Support Development of Global Norms and Guidelines

Traditionally the U.S. Government has played a leadership role in supporting the development of global norms, standards and guidelines, ranging from championing the creation of the Universal Declaration on Human Rights 60 years ago to the role that the Foreign Corrupt Practices Act has played in supporting anti-corruption and good governance efforts around the world. Today, active participation by the NGO, media and corporate sector, both globally and within each country, is often essential to efforts to spread rule of law, responsible practices and greater accountability and transparency in areas such as human rights, labor, ethics, and the environment. While being careful not to increase unfair protectionist measures, more could be done by the U.S. Government to convene, catalyze and fund such efforts, especially in light of the need to rebuild international prestige and trust in this realm. In particular, the government should take the following actions:

4.1 Facilitate voluntary multi-stakeholder accountability initiatives:

American companies and NGOs, and in some cases the government, have been actively engaged in some of the most effective voluntary multi-stakeholder initiatives (MSIs) aimed at spreading more accountable and responsible business practices. During the Clinton administration, for example, the State Department and a few U.S. extractive sector companies and NGOs played a vital convening role in the establishment of the Voluntary Principles on Security and Human Rights along with their government and corporate counterparts in the United Kingdom. Other accountability alliances such as the Extractive Industries Transparency Initiative, the Fair Labor Association, and the Partnership for Quality Medical Donations trace their roots to leadership by U.S. companies, NGOs and the government among others. Within the humanitarian community, InterAction and individual American NGOs have also played a leadership role in establishing global accountability guidelines and mechanisms for humanitarian relief. The Obama administration can play a crucial role in supporting the accountability coalitions that already exist, for example with additional funding and support for local capacity-building and grievance mechanisms within developing countries, while also exploring similar initiatives to increase public sector and corporate accountability in other sectors.

4.2 Strengthen the U.S. National Contact Point for the OECD Guidelines:

The Organisation for Economic Cooperation and Development (OECD) established the OECD Guidelines for Multinational Enterprises to improve corporate responsibility around the world. Each OECD country has a National Contact Point (NCP) to address grievances. The American NCP, which is located within the Bureau of Economic and Business Affairs at the State Department, could be strengthened and made more credible by the adoption of a multi-stakeholder approach. The Netherlands and the United Kingdom, for example, have established multi-stakeholder governance and consultation processes for their NCPs consisting of quadripartite groups representing business, NGOs and labor, as well as government. These and other approaches warrant rigorous evaluation and adaptation to the U.S. context.

4.3 Integrate standards and development benefits into global finance and trade:

Although too complex to cover in detail in this paper and not without a variety of challenges and critics, the integration of environmental, human rights and labor standards and economic development criteria into trade agreements and into the credit guarantee and financing programs of relevant government institutions could help to facilitate the global spread of norms and standards. The government should also consider calling on the Securities and Exchange Commission to review corporate disclosure and reporting requirements around these issues and on all government agencies to consider them in public procurement programs. Mixed progress has been made in previous administrations on this set of issues and policy tools, and they warrant a fresh look and widespread stakeholder consultation by the Obama administration.

4.4 Build the capacity of media and civil society organizations in developing countries:

One of the most important drivers of good governance, corporate accountability and the spread of responsible norms and guidelines in any nation is the existence of an open, active and independent media and civil society. In many developing countries, civic activism and the media are constrained by lack of capacity and resources,

and in authoritarian states by repressive government actions. In the former case, the U.S. Government, working in partnership with developing country governments, universities, companies and NGOs should increase its support for capacity-building programs that help build more robust and effective local non-governmental organizations, grievance mechanisms and journalism. While more sensitive and difficult in fragile and authoritarian states, there are still bilateral and multilateral opportunities to help build and protect the capacity of local civil society organizations. USAID's efforts in this regard, such as those of the Office of Transition Initiatives, should be scaled up.

5. Leverage the “Bully Pulpit” to Mobilize Stakeholders

The president has unprecedented convening power. This can be used not only to improve dialogue and understanding between leaders in different sectors, but even more importantly to mobilize them to take practical action and to contribute substantial resources to support the government's own efforts in tackling specific global development challenges.

Two of the best foreign assistance and public diplomacy success stories of the Bush Administration were the establishment of the President's Emergency Plan for Aids Relief (PEPFAR) and the President's Malaria Initiative (PMI). In both cases billions of dollars and other resources have been mobilized and the private and NGO sectors have been vital partners in the design, development and delivery of the programs. While these initiatives have been the focus of public health critiques due largely to their vertical nature, there can be little disagreement that they have been highly effective vehicles for increasing both the public and private resources focused on these global health challenges. More short term, have been humanitarian relief initiatives, where the president has called on former U.S. Presidents and corporate CEOs to lead public-private fundraising efforts.

The Fair Labor Association, now an independent multi-stakeholder organization focused on improving working conditions in developing country factories, is another successful example originally inspired by the “bully pulpit” and convening power of the president—in this case President Clinton during his presidency. He continues to use his convening power to mobilize resources and attention for global development through the work of his foundation and the Clinton Global Initiative, the latter of which has catalyzed some 1,400 commitments from companies, NGOs, philanthropists, students and the general public, valued at \$46 billion since 2005—many of them for international development projects.

5.1 Convene and resource a global development summit and development cooperation networks:

Drawing on the lessons from these precedents, the White House could publicly convene a leadership group of the heads of some 50 companies, foundations, NGOs, faith communities and universities for a high profile Global Development Summit and challenge them to mobilize their respective communities to join the U.S. Government in addressing a targeted agenda comprised of a few critical global development issues. Challenges that warrant such high-profile convening and collective action include hunger, climate change adaptation, water, empowering women and girls, and investing social and commercial resources in Africa. For each priority, the U.S. Government could appoint a senior global development official to direct the effort, provide catalytic challenge funding to be matched by foundations, the private sector and faith groups, and identify champions among Senators, Congressmen, corporate CEOs, civic leaders, and media celebrities to be public communicators and motivators for citizen action. More ambitious and structured than a summit alone, the aim would be to establish a development cooperation network, or networks, focused on jointly tackling a few of the most urgent and complex global development issues.

Conclusion

U.S engagement in the fight against global poverty has a solid foundation in accomplishments from over half a century ago—the Marshall Plan and the founding of the Bretton Woods Institutions—that reflect America's core values and pivotal role. Such global development leadership now resonates with a new generation of Americans who are more globally networked and engaged in the fight against poverty than ever before. At the same time it must adapt to the new reality that corporations, mega-foundations, diasporas, faith-based organizations, other non-governmental groups, and the general public are now mobilizing more resources for global development

than the U.S. government. They are doing so with a new sense of dynamism, diversity and innovation. They are leveraging new technologies, creating innovative new financing mechanisms, implementing new business models, and building new types of partnership often with non-traditional allies. Despite the global economic crisis these approaches are likely to grow in scale and impact. Recently infused with a new mandate for change, the administration and Congress have an enormous opportunity to harness this energy and to leverage the practical solutions being developed by the private sector and civil society to complement and enhance the government's own development efforts. The five sets of recommendations outlined in this paper suggest an agenda for government action and offer a platform for further dialogue and cooperation between the government, business community and civil society.

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