



The Bureau of Educational and Cultural Affairs Policy Roundtable

U.S. Department of State
May 31, 2012

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Center for Global Prosperity
Hudson Institute



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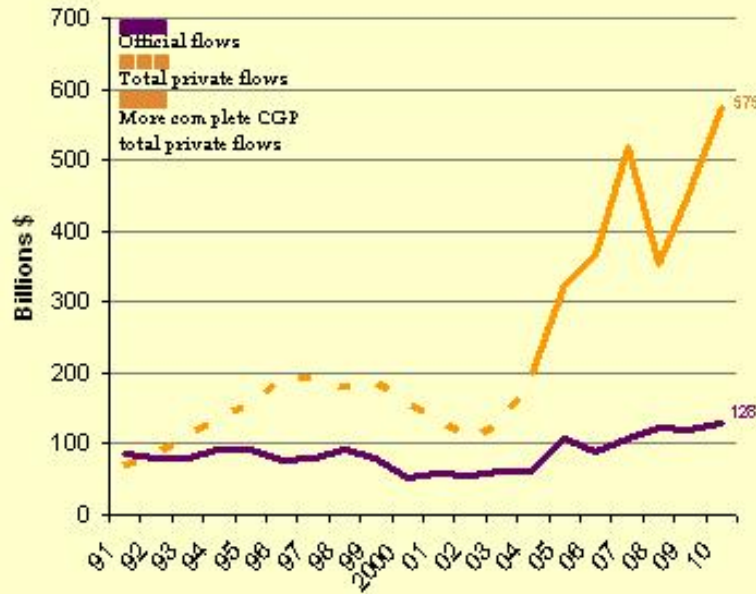
How the Developing World has Changed

- Increase in Open Markets and Open Societies
- Demographic and Social Transitions
- Growth in Private Philanthropy, Remittances, and Local Charities
- Expanded Knowledge and Demand through Technology

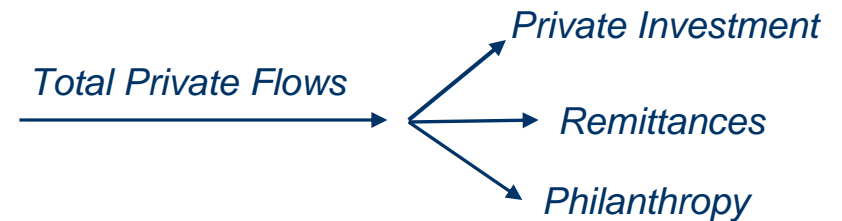


All Financial Flows from Developed to Developing Nations, 1991-2010

Total Official and Total Private Flows — Philanthropy, Remittances, Investment— from OECD Donor Countries to Developing Countries, 1991-2010 (Billions of \$)

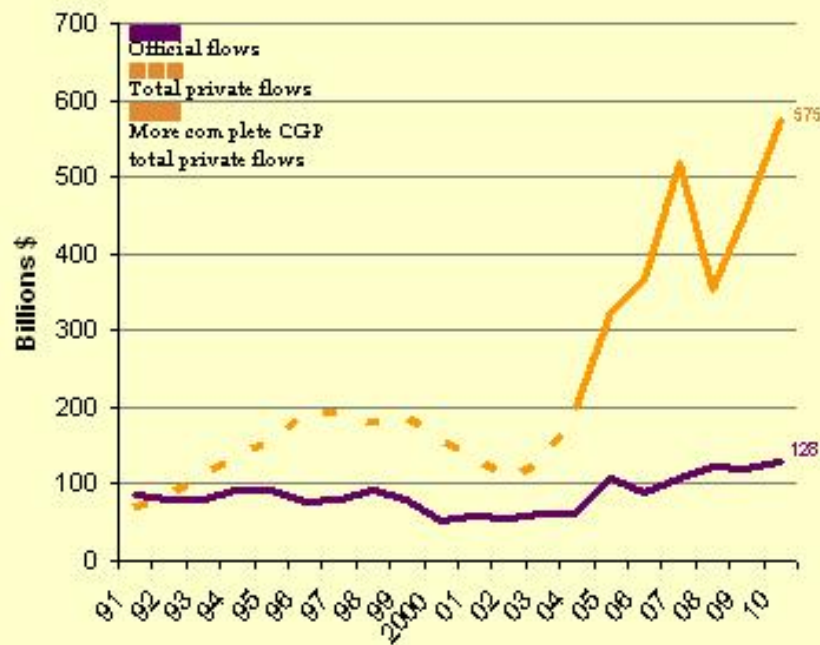


Source: OECD; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittances Team's *Bilateral Remittance Matrix*, 2010; Hudson Institute, 2005-2012.



Private Flows by Type, 1991-2010

Total Private Financial Flows

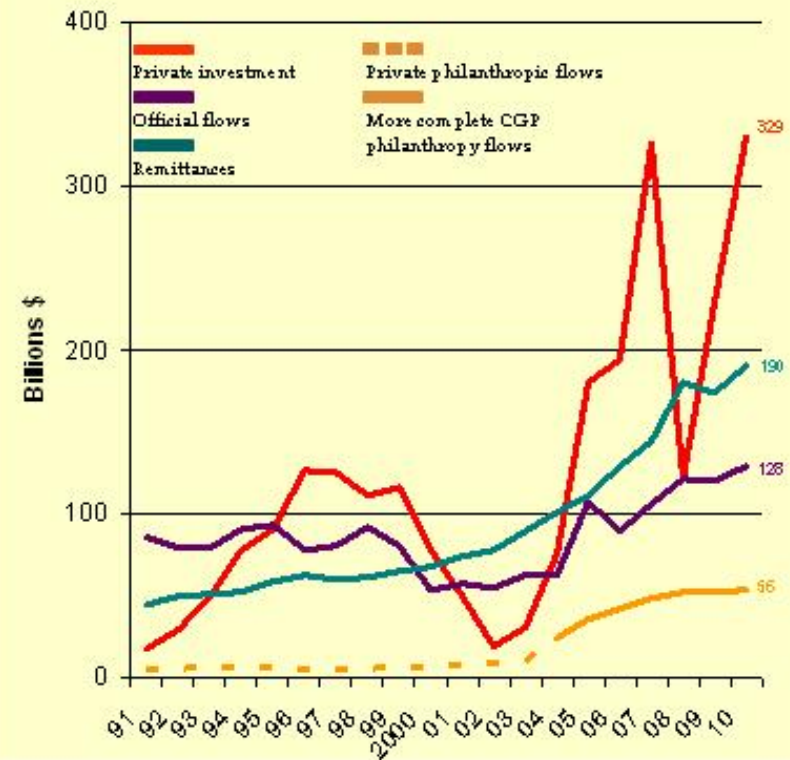


Source: OECD; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittances Team's *Bilateral Remittances Matrix*, 2010; Hudson Institute, 2005-2012.

Private Investment

Remittances

Philanthropy

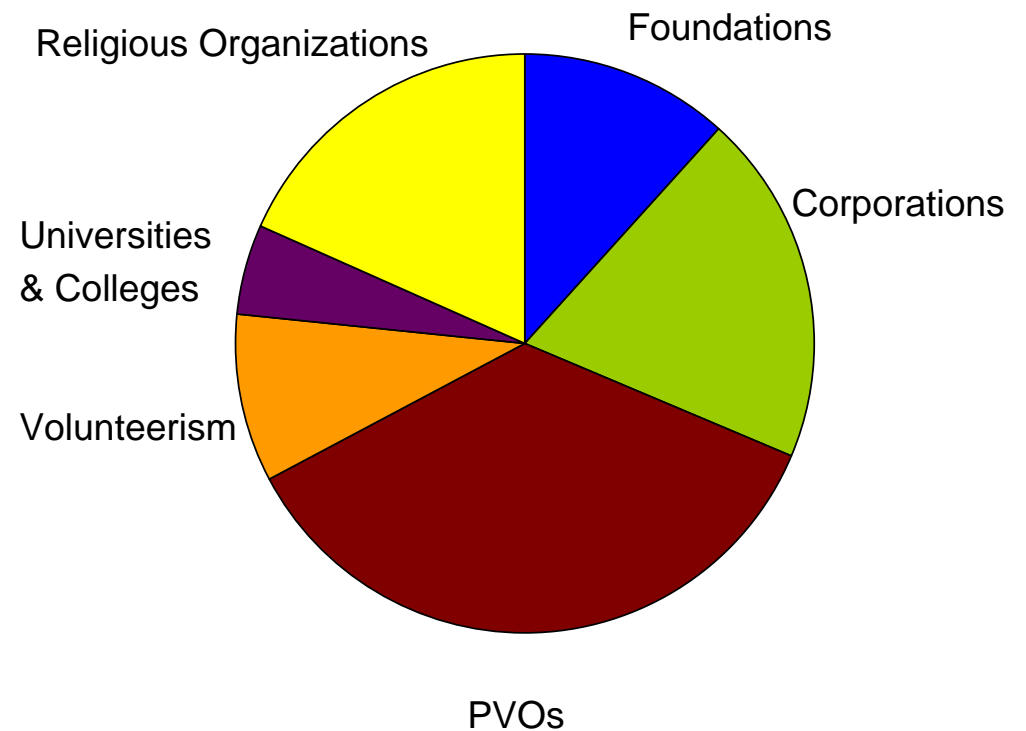


Total U.S. Economic Engagement with Developing Nations, 2010

U.S. Total Net Economic Engagement with Developing Countries, 2010

	Billions of \$	%
U.S. Official Development Assistance	\$30.4	9%
U.S. Private Philanthropy	\$39.0	12%
Foundations	\$4.6	12%
Corporations	\$7.6	19%
Private and Voluntary Organizations	\$14.0	36%
Volunteerism	\$3.7	9%
Universities and Colleges	\$1.9	5%
Religious Organizations*	\$7.2	18%
U.S. Remittances	\$95.8	29%
U.S. Private Capital Flows	\$161.2	49%
U.S. Total Economic Engagement	\$326.4	100%*

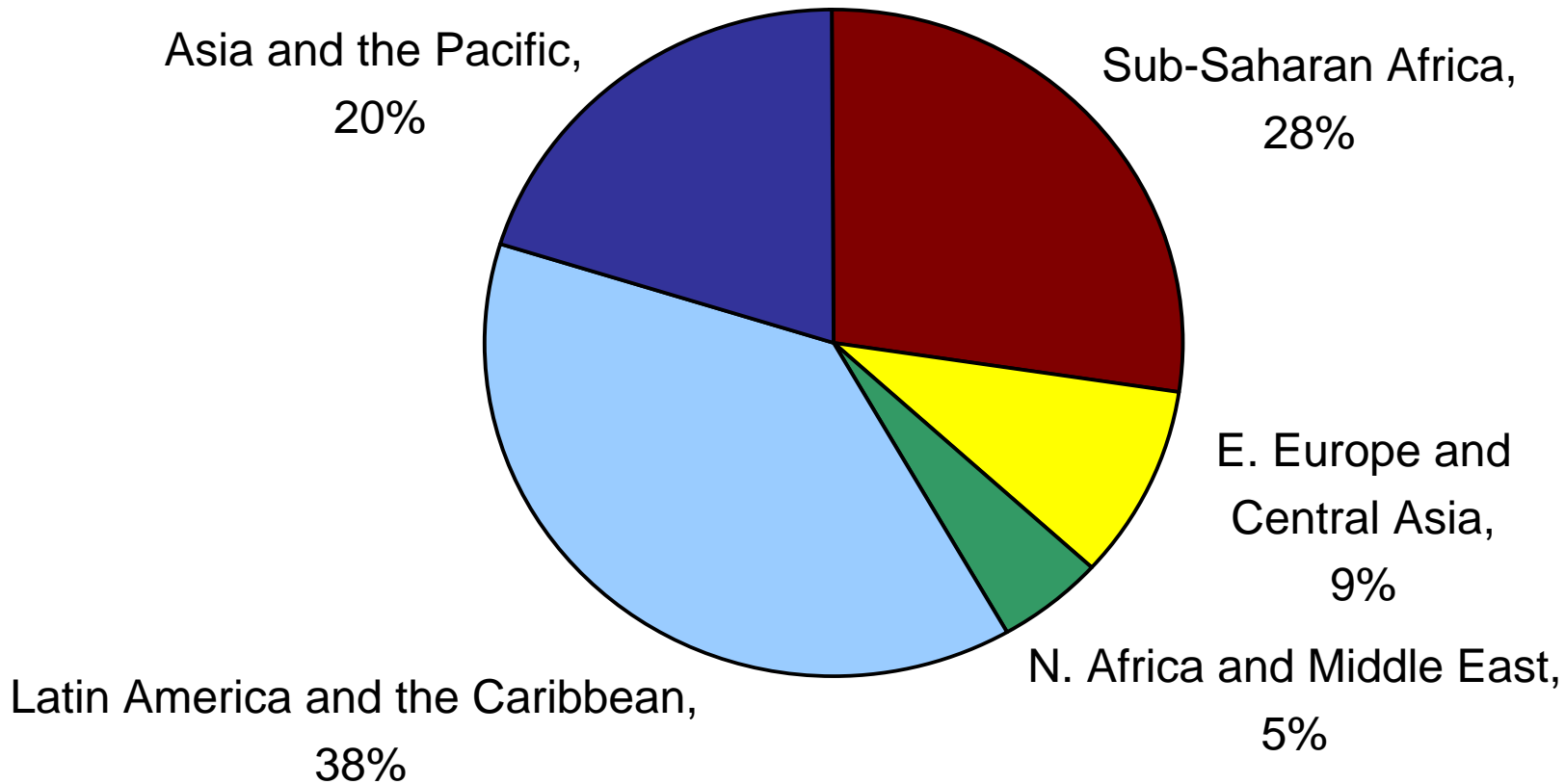
*Data from last available year: 2009; *Variation due to rounding
 Sources: OECD; Hudson Institute's remittances calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittance Team's *Bi-lateral Remittance Matrix, 2010*; Hudson Institute, 2012.





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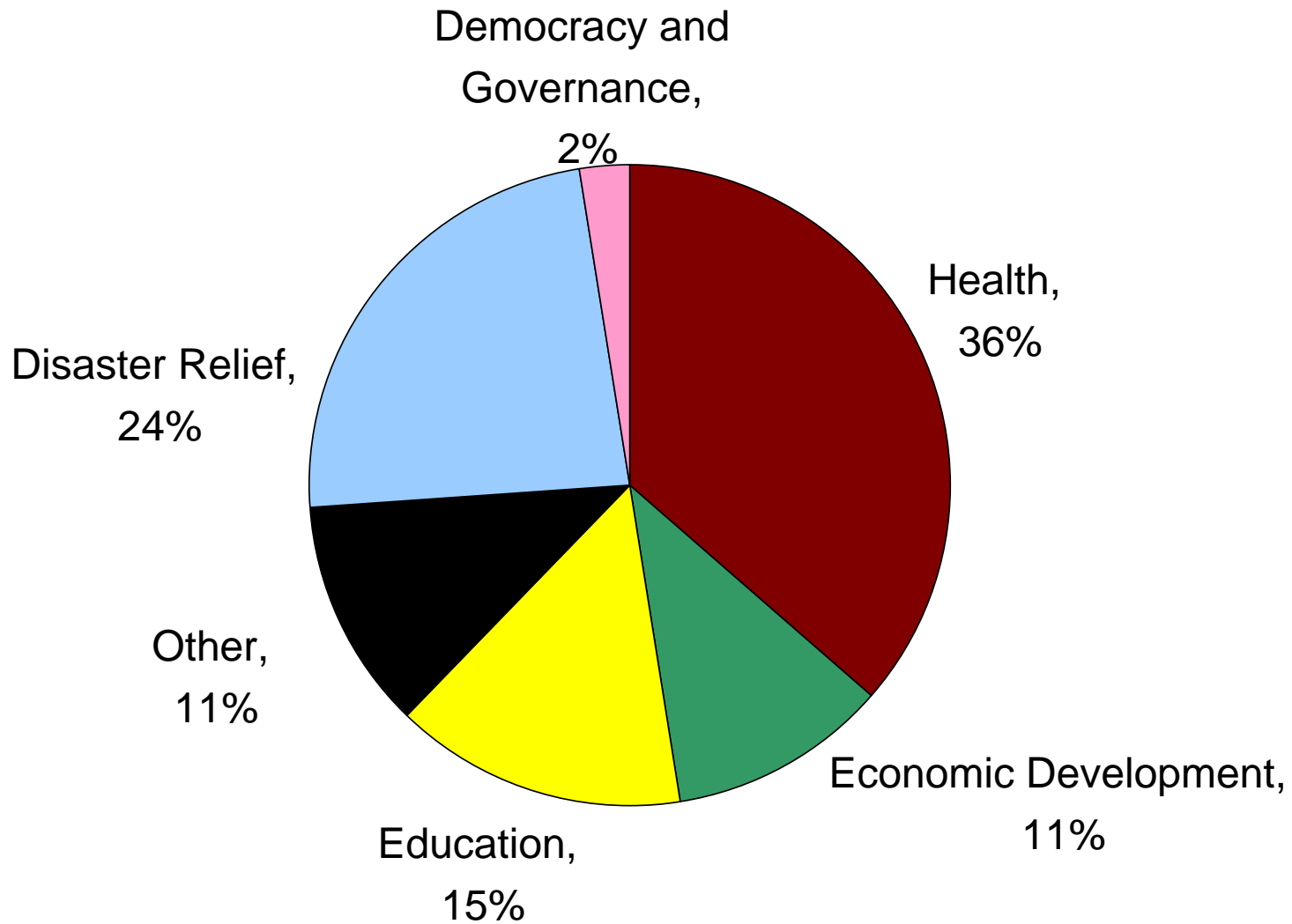
Regional Breakdown Of 2010 U.S. Philanthropy: \$39.0 Billion





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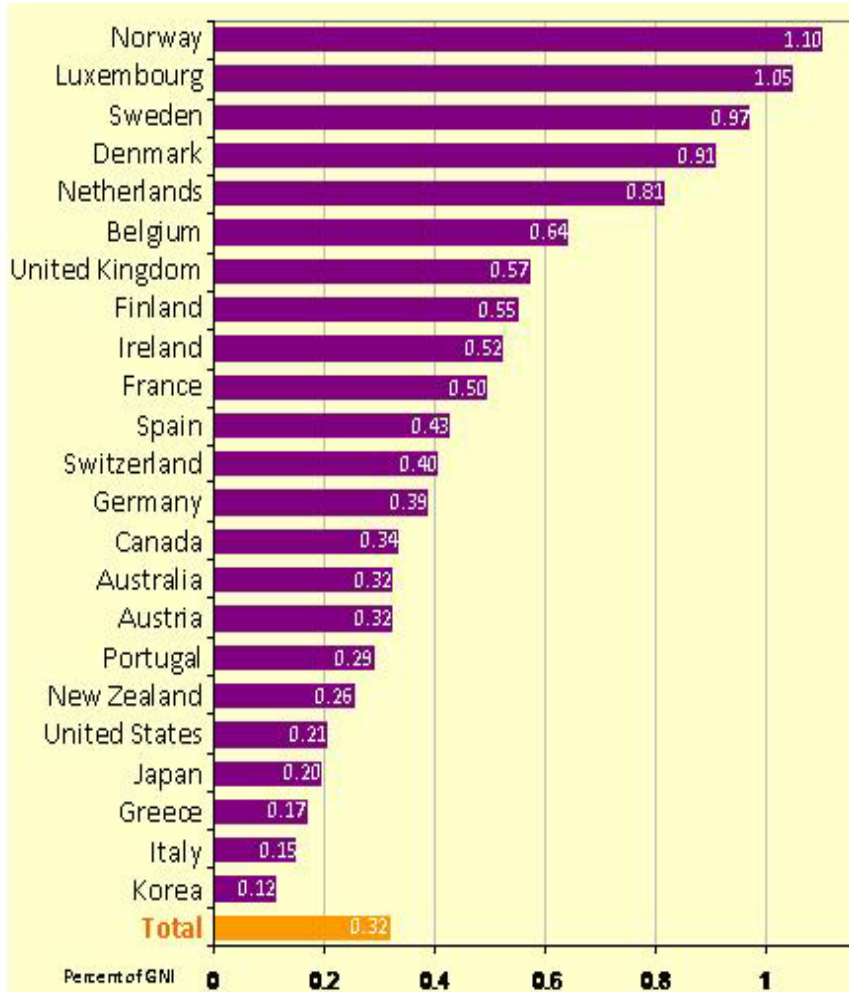
Sectoral Breakdown Of 2010 U.S. Philanthropy: \$ Billion



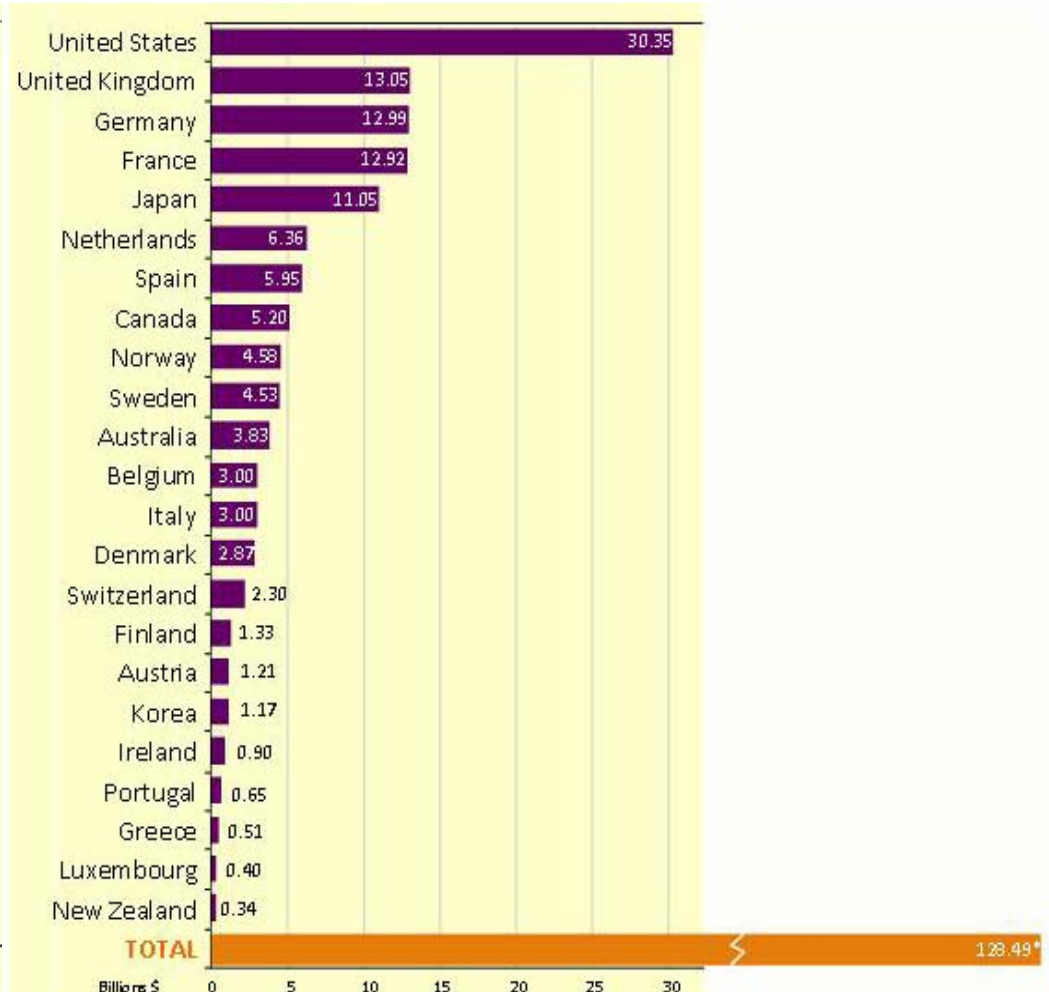


ODA as a Percentage of GNI and in Billions, 2010

Percent of GNI

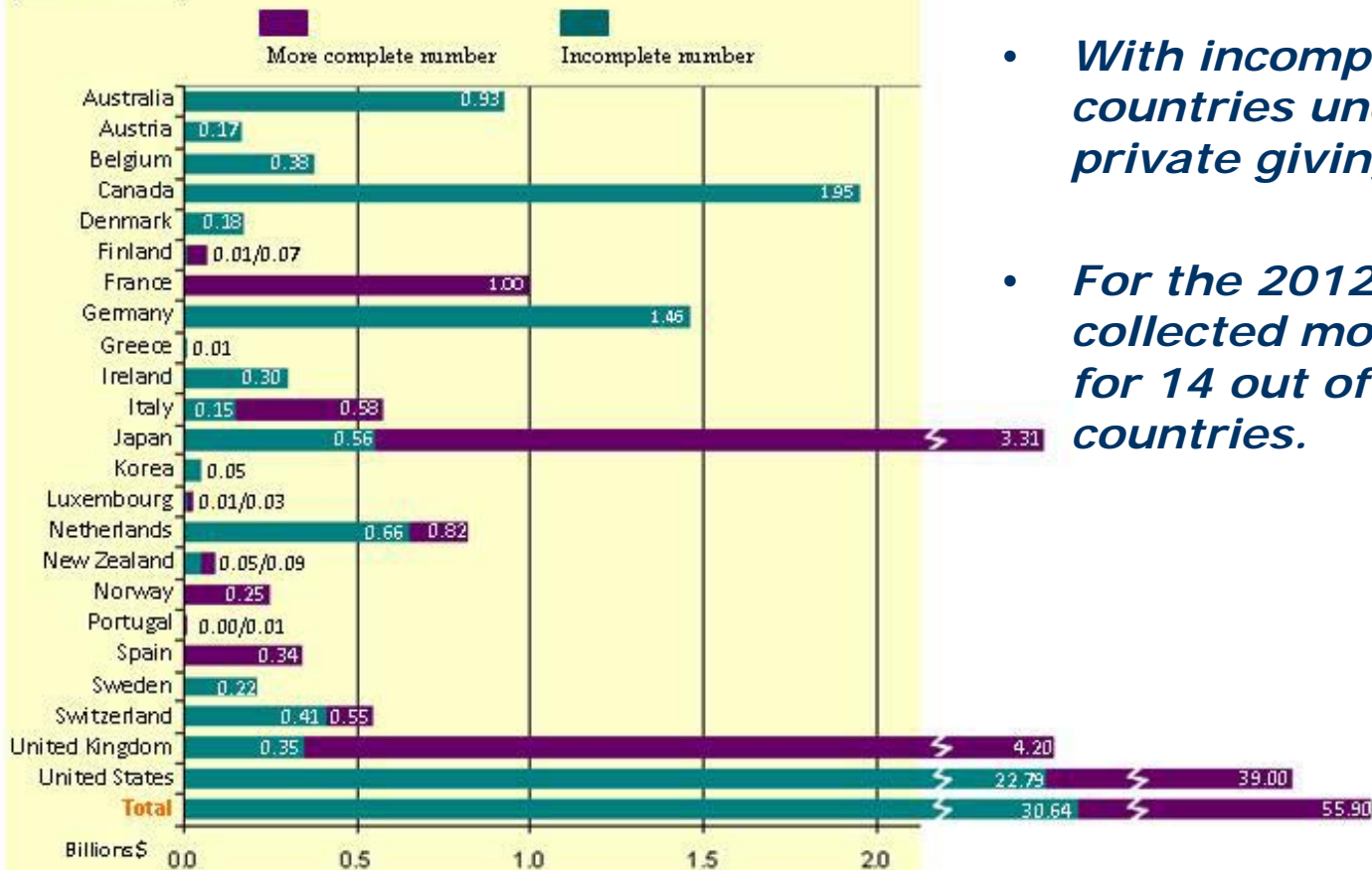


Billions of \$



Incomplete Private giving Numbers Submitted to OECD and More Complete Numbers from CGP, 2010 (Billions \$)

Incomplete Private Giving Numbers Submitted to OECD and More Complete Numbers from CGP, 2008-2010
(Billions of \$)



- *With incomplete data, many countries underreport their private giving numbers.*
- *For the 2012 Index, CGP collected more complete data for 14 out of the 23 DAC donor countries.*

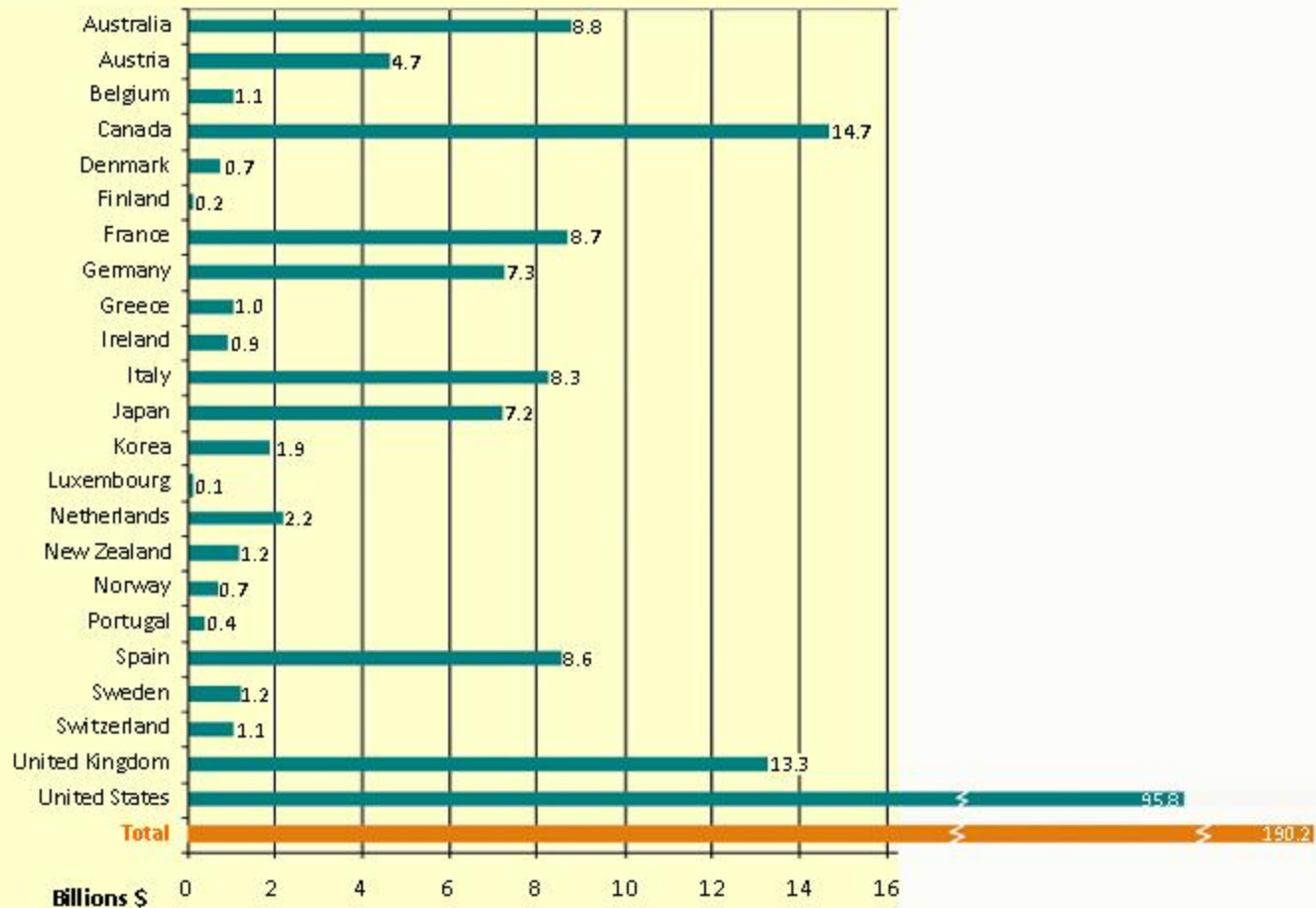


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Remittances from OECD Donor Countries to Developing Countries, 2010 (Billions \$)

Remittances from OECD Donor Countries to Developing Countries, 2010

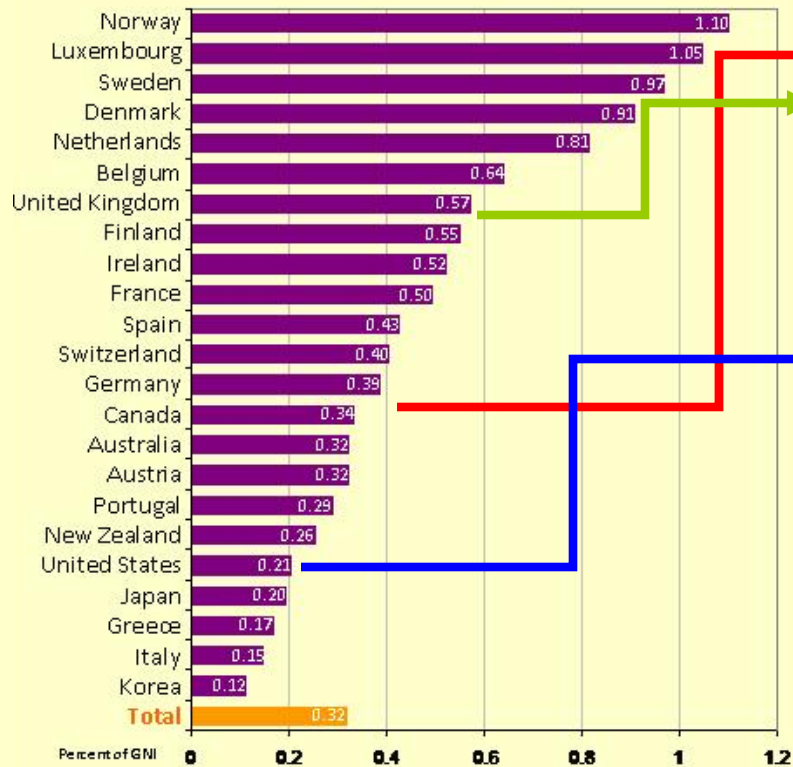
(Billions of \$)



Source: Center for Global Prosperity calculations using World Bank data; see Methodology.

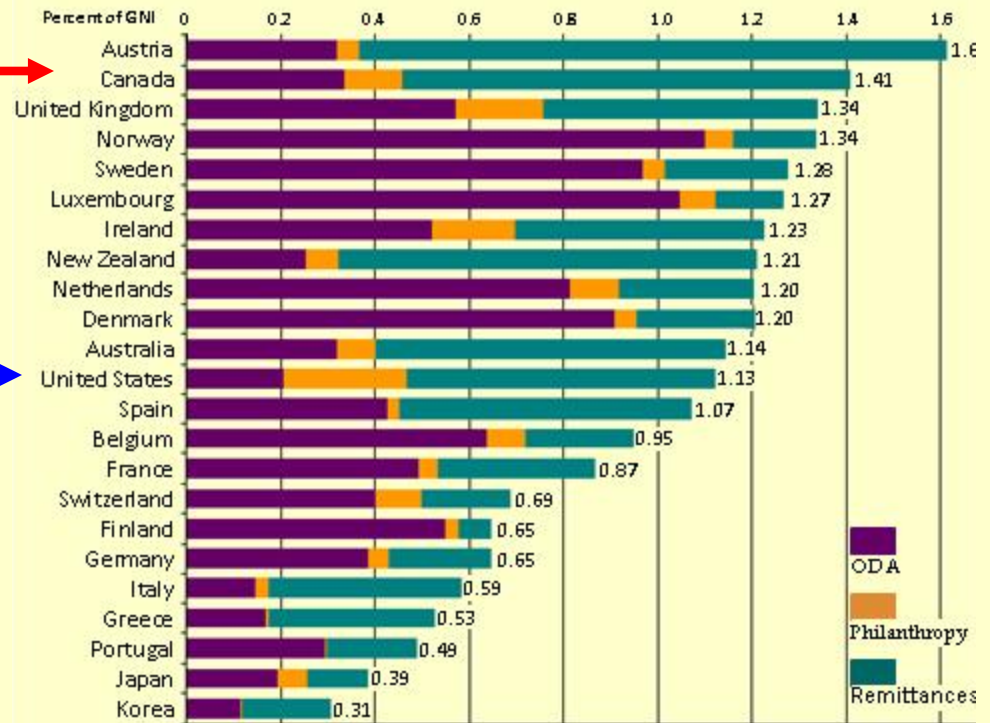
Comparing ODA and Total Assistance as a percentage of GNI, 2010

Net ODA as a Percentage of GNI, 2010



Sources: OECD, Statistical Annex for Development Co-operation Report 2012.

Total Assistance from OECD Donor Countries to Developing Countries: ODA, Philanthropy and Remittances as a Percentage of GNI, 2010



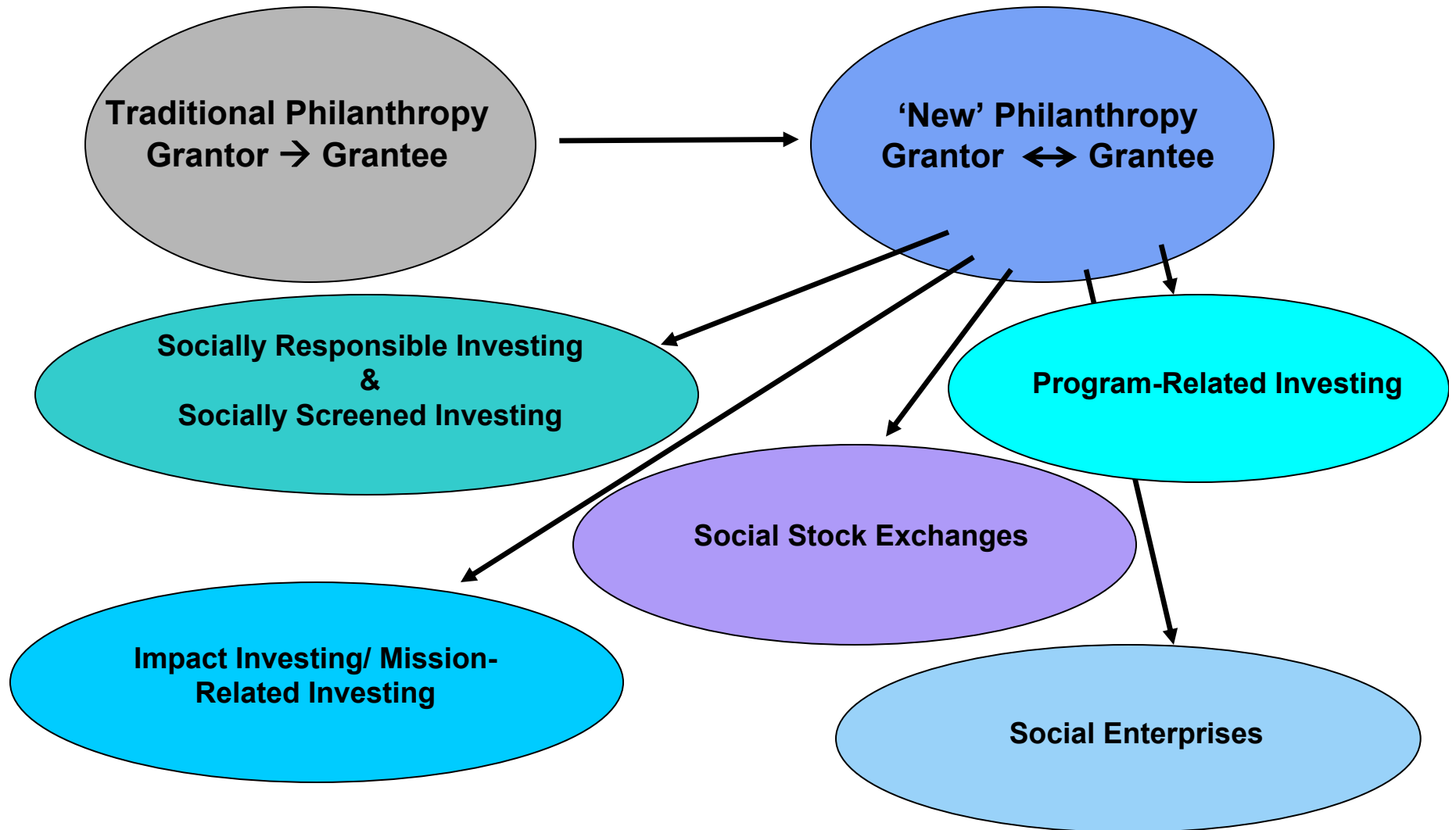
Sources: OECD, Statistical Annex for Development Co-operation Report 2011, 2011; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittance Team's Bilateral Remittance Matrix, 2010; Stein Brothers, AB, Scandinavia 2010-2011; Charles Sellen, France, 2008-2009 and VU University Amsterdam Department of Philanthropy, Netherlands, 2009; Istituto per la Ricerca Sociale, Italy, 2009; Le Cercle de Coopération des ONG de Développement, Luxembourg, 2011; Vrije Universiteit Amsterdam, Coen in Nederland 2011, Netherlands, 2011; Council on International Development, Annual Report, New Zealand, 2011; Plataforma Portuguesa das ONGD, Annual Report, Portugal, 2009; Coordinadora ONG Para El Desarrollo España, Informe de la Coordinadora de ONG Para El Desarrollo-España Sobre El Sector De Las ONGD, Spain, 2009; Charles Aid Foundation, United Kingdom, 2011; Center for Global Prosperity, United States, 2009-2012.



The New Landscape of Global Private Assistance

- Cause Related Marketing
- ePhilanthropy and Mobile Phones
- Public-Private Partnerships
- Remittances
- New Financial Mechanisms

New Financial Mechanisms: Beyond Philanthropy





New Financial Mechanisms: Beyond Philanthropy

Socially Responsible Investing

Investments that avoid companies which may negatively impact society.

Investment firms such as TIAA-CREF offer socially responsible options to their clients.

Program Related Investing

Capital investments made by foundations to support mission aligned projects.

Foundations such as Rockefeller, MacArthur, and Ford, have implemented PRIs as part of achieving their mission goals.

Mission Related Investing

Investments made to generate both a social and a financial return on a larger than usual philanthropic scale.

Organizations such as MicroVest Capital invest in microfinance institutions that help the poor.

Social Enterprises

Non-profits or for-profits that apply business strategies to advance social goals.

For-profits such as Husk Power Systems provide electricity to rural India by using bio-waste. Non-profit examples are Acumen and KickStart.

Trends in Global Private Assistance

Donors & Recipients



Partnerships

Top Down Planning



Democratization of
Voice

All about the \$\$\$



All about Engaged
Leadership

Corporate Social
Responsibility



Shared Value

Loyalty to Institutions



Loyalty to Fixing
Problems



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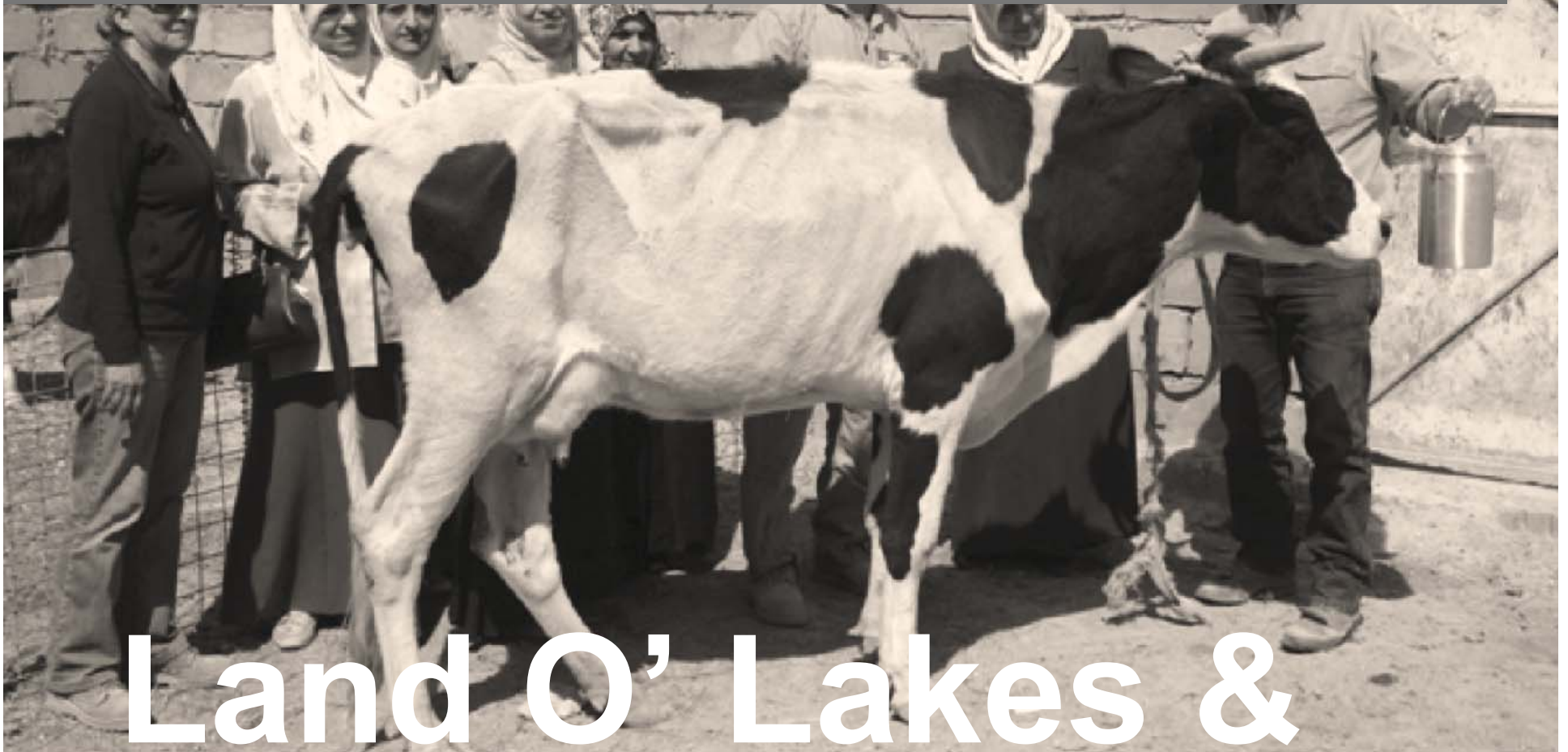
A New Government Foreign Aid Business Model for a New Developing World

- Flexibility for Diverse & Changing Problems
- Competition for Demand-Driven Ideas
- Partnership: Co-Investment and Peer to Peer Relationships
- Transparency, Efficiency, and Results

US Marines use dairy diplomacy

21 Iraqi women completed dairy production training

They trained 550 other women



**Land O' Lakes &
Iraqi Women's Dairy Development Program**

Since 2002,
100k+ donors have given **\$28m+** to **2600+** projects



connecting donors to doers
→ **GlobalGiving**



45k pumps in use
29k jobs created
\$27m

**The Tools to End
Poverty**

KickStart

- 30+ thriving enterprises helping 36m+ people
- from antimalarial bednets in Tanzania to rural electrification from rice husks in India



Acumen Fund



98k+ jobs created by Endeavor entrepreneurs
380k+ people receiving entrepreneurial education
\$871m in private equity

Endeavor

High-impact entrepreneurship in developing countries

- Helped 1,350 businesses achieve total sales of \$149m in 2008
- Trained 3k+ entrepreneurs in 9 countries in 2008



TechnoServe

Western Union's 4+1 Program

Financing small and micro-enterprises in Mexico



28 businesses launched; over half are now self-sustaining.

Mercy Corps: Social Businesses

My Child's Café, a for-profit company tackling child malnutrition and unemployment in Jakarta, sold 14,000 meals in its first month of operation!





12 programs in **10**
countries
Each job supports **9** people

Five Talents International

A Christian Microfinance & Technical Assistance Organization

80% of cervical cancer occurs in the developing world
17 countries benefit from the GARDASIL® Access Program
165k girls have been vaccinated against HPV

A black and white photograph showing a woman on the left, wearing a white long-sleeved shirt under a dark vest, facing a large group of children. The children are gathered in a rural, hilly area with a thatched-roof building in the background. The scene is brightly lit, suggesting a sunny day.

GARDASIL®
Access Program

Merck & Co., Inc.