THE FUTURE OF GLOBAL DEVELOPMENT
Insights From A Survey of Leading Development Executives
To better understand the future of the development industry, Devex conducted a survey of executive level development professionals from Mar. 3 to Apr. 6, 2014.

- **23%** work for a medium or large organization with 50+ staff members.
- **27%** work in North America.
- **14%** work in Europe.
- **21%** work in Africa.
- **16%** work in Asia.
- **26%** work for an International NGO.
- **29%** work for a Development Consulting Firm.

1,274 Respondents
GLOBAL DEVELOPMENT IS FUNDAMENTALLY CHANGING

Sixty-seven percent of development executives who participated in our 2014 Development Influencers survey believe the global development industry will change fundamentally over the next 10 years.

33 percent think the industry is experiencing some transition, but will not change fundamentally in the next decade.

67 percent think the industry is transforming and will change fundamentally in the next decade.

N=382
People in the development field are keenly aware of the latest set of forces driving this challenge-and-response dynamic, including long-term shifts in the distribution of political and economic power, conflict and fragility in parts of developing world, the advance and democratization of technology and the surge in talent and capacity in many emerging nations.

James Boomgard, President and CEO of Development Alternatives Inc.
SOURCES OF FUNDING ARE SHIFTING

While executives believe that funding from established bilateral aid agencies will decrease over the next decade, strong growth is expected from the private sector.

“The bull market for official development assistance is largely over. With the exception of a few outliers like the United Kingdom, I expect ODA to be relatively flat for the coming 10 years.”

Dan Rude, CSIS
Executives believe emerging bilateral aid agencies and corporations will increase their global development funding while established bilateral aid agencies will decrease their budgets.

2012 is used as baseline year for projections. Baseline figures for corporate giving include U.S. corporations only and assume that this remained flat from 2011. Figures are taken from OECD and Hudson Institute.
THE FUTURE IS BRIGHT

76% of executives are optimistic about the future of development.

- 76% in North America
- 70% in Europe
- 84% in Asia
- 78% in Africa
- 73% in Latin America
- 73% in Australia/Oceania

Percentages represent levels of optimism in the regions where executive positions are based.

- 82% in Large organizations
- 76% in Medium organizations
- 74% in Small organizations

Percentages represent levels of optimism among different-sized organizations.
For development leaders ...
IT’S BEST TO STAY GROUNDED

“...but should be complemented by the equally important work at the institutional level.”

Jason Clay, Senior Vice President of World Wide Fund for Nature’s food and markets division

Proportion of respondents who answered “with individuals” or “in villages” to the question “Where do you feel you’ve done your best work?”
80% of development executives would rather be in the field than in the office.
Majority of development executives are more likely to donate their own money to a startup NGO with innovative ideas but no track record, rather than an established NGO with conventional approaches but a solid track record.
DEVELOPMENT TRENDS
How the industry is being reinvented
# The Changing Landscape of Development Finance

## U.S. Total Net Engagement with Developing Countries

<table>
<thead>
<tr>
<th>Source</th>
<th>2010-2011</th>
<th>% Share</th>
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<tbody>
<tr>
<td>U.S. official development assistance</td>
<td>$30.9 billion</td>
<td>11</td>
</tr>
<tr>
<td>U.S. private philanthropy</td>
<td>$39.0 billion</td>
<td>14</td>
</tr>
<tr>
<td>Foundations</td>
<td>$4.6 billion</td>
<td>12</td>
</tr>
<tr>
<td>Corporations</td>
<td>$7.6 billion</td>
<td>19</td>
</tr>
<tr>
<td>Private and voluntary organizations</td>
<td>$14.0 billion</td>
<td>36</td>
</tr>
<tr>
<td>Volunteerism</td>
<td>$3.7 billion</td>
<td>9</td>
</tr>
<tr>
<td>Universities and colleges</td>
<td>$1.9 billion</td>
<td>5</td>
</tr>
<tr>
<td>Religious organizations*</td>
<td>$7.2 billion</td>
<td>18</td>
</tr>
<tr>
<td>U.S. remittances</td>
<td>$100.2 billion</td>
<td>36</td>
</tr>
<tr>
<td>U.S. private capital flows</td>
<td>$108.4 billion</td>
<td>39</td>
</tr>
<tr>
<td><strong>U.S. TOTAL ECONOMIC ENGAGEMENT</strong></td>
<td><strong>$278.5 billion</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
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Source: Hudson Institute  
*Data for religious organizations is only for 2010.*
MULTILATERAL ODA STEADILY INCREASING

Source: OECD. Data covers net ODA in constant 2012 prices.
NONTRADITIONAL DONORS ON THE RISE

Saudi Arabia: $5.4 billion
China: $6.4 billion
Turkey: $3.3 billion
Brazil: $1 billion
Russia: $610 million
UAE: $5.1 billion
India: $1.1 billion
South Korea: $1.7 billion
NEW SOURCES OF DEVELOPMENT DOLLARS

Crowd Funders
$5.1 BILLION (2013)

Impact Investors
$10.6 BILLION (2013)

Corporate Giving and Private Funding
$20.3 BILLION (2012)
Among traditional donors, policy is changing

Value for money
Transparency
Focus on results
Partnerships
Performance-based
Rolling strategies
Country systems

In 2001, OECD Development Assistance Committee members agreed to untie all aid to least developed countries.
DONOR POLICY OPENS UP THE PLAYING FIELD

United Kingdom
Fully untied U.K. development assistance in 2001
2012 bilateral ODA status: 100%

Australia
Untied all Australian aid – except tenders for Australia-Indonesia Partnership for Reconstruction and Development contracts – in 2006
2012 bilateral ODA status: 100%

United States
Opened USAID contracts to non-U.S. firms in 2012
2012 bilateral ODA status: 70%

European Union
Untied all aid to least developed countries in 2005.
2011 bilateral ODA status: 69%
BILATERAL DONORS ARE BLENDING AID WITH TRADE

In March 2013, the Canadian International Development Agency was merged with the Department of Foreign Affairs, which was then renamed to the Department of Foreign Affairs, Trade and Development

Foreign Affairs, Trade and Development Canada

Australian Government
Department of Foreign Affairs and Trade

Six months later, the Abbott administration announced the Australian Agency for International Development will be folded into the Department of Foreign Affairs and Trade
RISE OF DEVELOPMENT FINANCE INSTITUTIONS

Investment financing by OECD countries

![Pie charts showing investment financing by OECD countries with 2011 at $47B and 2012 at $82B](chart)

Source: Congressional Research Service

POWER AFRICA

POWER AFRICA PORTFOLIO

The United States will commit more than $7 billion in financial support over the next five years to this effort, including:

- up to $5 billion
- up to $1.5 billion
- up to $1 billion
- $285 million

Source: USAID
All told, we have awarded $745 million to local institutions in 73 countries this past year alone. That’s a 50 percent increase since 2010, and halfway to our five-year goal of 30 percent of our resources supporting local solutions.

— USAID Administrator Rajiv Shah at the USAID Forward progress event in March 2013
NARROWING DOWN OF FOCUS COUNTRIES

DfID reduced its focus countries from 43 to 27 in 2011. Became 28 when South Sudan gained independence.

“...The increasing demand for value-for-money, transparency, accountability, effectiveness and sustainability will govern the aid agenda and, I believe, significantly transform the development industry.”

— Devex Executive Member

Focus countries until 2011 only
Orange: Current focus countries; DfID also pulling out of India and South Africa in 2015
DISRUPTIVE TECHNOLOGY

From simple mobile phones to futuristic-sounding 3-D printers, technology is disrupting development and opening up new possibilities.

In Africa, where mobile transactions are expected to top $160 billion by 2016, even the most basic feature phones are changing how people conduct their daily lives.

Technology can also help people plan better. InaSAFE 2.0, a system developed by Australia, the World Bank and Indonesia’s National Agency for Disaster Management, enables anyone to produce realistic hazard impact scenarios for more responsive disaster planning.

The recent hype around 3-D printing may all seem too much, but the technology’s potential holds exciting possibilities for crafting creative solutions for international development.
PUBLIC-PRIVATE PARTNERSHIPS

In fiscal 2013, USAID was able to leverage $498 million of non-U.S. government money toward its development goals, up 30 percent from fiscal 2012.
BRAND MATTERS MORE THAN EVER...
Conveys who you are, what you do and why it matters

A strong brand allows you to acquire more resources and gives you the authority to have more freedom over how you use them.

— Peter Walker, director at the Feinstein International Center at Tufts University

Acts as a catalyst and time-saving device

A strong brand helps bring greater credibility and trust to a project quicker, and acts as a catalyst for people to want to come to the table.

— Diane Fusili, global brand consultant and former communications director at the Rockefeller Foundation

 Increases social impact and organizational cohesion

Could we have greater impact if we leveraged our brand in different ways? What difference could it make to attach our logo to things to move conversations forward or elevate certain issues? Can we use our brand to elevate other brands?

— Tom Scott, director of global brand and innovation at the Bill and Melinda Gates Foundation
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INFORMING EXECUTIVES ...

The decisions you make are forged by a unique understanding of realities on the ground and the trends that are driving the future of a rapidly changing development landscape. You are on the ground and out in front — the right information is key.

A good brand captures the essence of what an organization is about and where it intends to go. ... Moving ahead without a clear vision — and a process for engaging staff members — can backfire. — Development NGO rebranding: How to get it right May 12, 2014

If the fiscal 2015 budget proposal requests little or no new USAID and MCC money for Power Africa — the only presidential aid initiative since the early days of Obama’s first term — then that is likely to fuel further speculation that development finance could be well on its way to becoming spending-wary Washington’s preferred channel for U.S. aid engagement. — Obama’s 2015 aid budget proposal: What you need to look out for March 3, 2014

The planning for 2015-2017 is sure to provide an opportunity — and immense challenge — for setting the longer-term strategic priorities under a drastically slimmed-down budget. — What to expect from Jim Kim’s ‘global practices’ plan Oct. 9, 2013