Message from our Board Chair and President

This year’s annual report comes amidst big changes around the globe. Whether it is the turn toward more unilateralist policies by the western democracies, China’s expanding role in global development, the migration-fueled political crisis in Europe, or cutting-edge technologies that are driving new debates about the future of development, the global challenges of the past year leapt beyond what any of us anticipated. Maintaining the successful development trend of the last generation will require new thinking that goes beyond aid, that mobilizes around global common challenges, that engages more seriously with China, and that manages global economic integration and technological advances to the benefit of all. CGD is responding to these new priorities, not only in its research and policy recommendations, but also by readying itself as an institution for the future.

From injecting evidence into contentious political debates about the economics of migration, to devising a mechanism, adopted by Canada, to increase the number of women in UN peacekeeping and help reduce sexual violence among peacekeepers, in the last year CGD transformed quality research and innovative ideas into action to improve the lives of millions.

Today’s realities present opportunities to influence a world at a crossroads and engage more strategically with funders. That is why we have adapted the organization to maximize our future impact, gathering much of our work into dedicated program areas. We will not lose CGD’s agility, or our scholars’ freedom to follow their intellectual interests—both hallmarks of our success. But a programmatic structure allows us to focus more coherently, and to more deliberately build our expertise and an evidence base around broader development themes, including migration and humanitarian challenges, technology and data for development, innovative development finance, and global health. This is a work in progress that we will build upon in the coming year.

In a world where policy is too often driven by political posturing and soundbites, CGD’s rigorous research helps the world’s most powerful decision makers cut through the fake news with evidence that drives better policies, and helps improve the lives of the global poor.

Lawrence H. Summers
Board Chair

Masood Ahmed
President
HOW WE WORK

The Center for Global Development works to reduce global poverty and improve lives through innovative economic research that drives better policy and practice by the world’s top decision makers.

We generate new ideas, actionable policy proposals, and independent research, and spark critical global development conversations.

We focus on the intersection of developing countries and the governments, institutions, and corporations that can help them deliver the greatest progress.

Our scholars conduct rigorous, impartial analysis, informed by evidence and experts from around the world.

**Global Health Policy**

As economies grow and aid plateaus or declines, global health progress faces new challenges. Our research helps policymakers deliver more health for the money, address global public goods like drug resistance and pandemic preparedness, and close outcome inequalities between and within countries.

**Sustainable Development Finance**

To meet the Sustainable Development Goals, development finance must increase from billions to trillions. Our work focuses on unlocking more finance more effectively from existing and emerging sources, and on allocating those funds to meet both ongoing needs and future challenges.

**Technology and Development**

Policy innovation is not keeping pace with technological change. Will automation bring new jobs or no jobs? How should we manage and regulate growth in biometric ID and governance? How can digital payments be safely and effectively scaled up? With a focus on key issues around innovation, growth, and inequality, our research helps policymakers stay informed about cutting-edge technologies for global development.

**Governments and Development Policy**

The policies and programs of major country governments wield enormous influence on global development progress. With nonpartisan, evidence-based proposals, our Washington team seeks to improve the effectiveness and efficiency of US development policy by bringing evidence to bear on questions of “what works” and proposing reforms to strengthen US development tools. Despite dramatic shifts in the US political landscape, there remains considerable appetite for CGD’s nonpartisan education and policy proposals rooted in research and analysis. CGD Europe helps improve EU development policy and craft post-Brexit UK development policies. Each year we release the Commitment to Development Index, which helps donor countries understand how domestic policies can contribute to global development.

**Migration, Displacement, and Humanitarian Policy**

Whether they move to pursue economic opportunity or flee to safety, migrants and refugees can fuel economic growth in the countries they live in and leave behind. Today’s displacement crisis calls for more than closed-border policies or short-term humanitarian aid: it requires sustainable development solutions. We bring evidence to these contentious issues and devise policy solutions so migrants, refugees, and their hosts can thrive together.

**Education, women’s economic empowerment, energy, financial inclusion, and better data** are some of the other areas where we work to influence development progress.
Senior fellow Michael Clemens, Alisha Holland of Princeton University, and Eric Olsen of the Woodrow Wilson Center’s Mexico Institute discuss how violence and economic conditions drive migration choices, and how development programming can respond.

Canadian Minister of International Development and La Francophonie Marie-Claude Bibeau delivers remarks at CGD’s third annual Birdsell House Conference on Women.
Increasing the Number of Women Peacekeepers

A higher proportion of women in peacekeeping operations is associated with lower rates of sexual violence by peacekeepers and more sustained peace. But while the UN Security Council has recognized the importance of increasing women’s participation in peacekeeping, progress has been slow.

To address this problem, senior fellow Charles Kenny proposed a dedicated trust fund to provide supplementary payments to troop-contributing countries for each woman peacekeeper provided. When his analysis showed that for as little as $77 million a year the UN could significantly increase the proportion of women peacekeepers, CGD launched a campaign to persuade the UN and key donor governments to establish a trust fund. In November, Canadian Prime Minister Justin Trudeau announced the Elsie Initiative on Women in Peace Operations, through which Canada will contribute an initial C$15 million to a fund to support the deployment of women peacekeepers.

The Economic Impact of Migrants

When the US administration proposed eliminating most immigration from developing countries to help raise US workers’ wages, it cited an influential study by a Harvard economist that found the influx of Cubans into Miami following the Mariel Boatlift had sharply depressed local wages. But a few months earlier, senior fellow Michael Clemens had uncovered a major flaw in that study, invalidating its findings. Clemens and his coauthor, Jennifer Hunt of Rutgers University, showed that the drop in wages in the Harvard study simply arose from a flaw in the underlying data: wage surveys at the time started counting more low-wage non-Cuban workers as “native workers,” causing a spurious fall in measured wages. The study did not actually show that native workers were harmed.

CGD’s rapid response team injected Clemens’ much-needed data into a heated debate, prompting lawmakers to take a closer look at the real economic impacts of the proposal. Meanwhile, Clemens and his coauthor presented the work in several academic forums to ensure it passed the highest levels of research scrutiny.
Senior fellow and chief operating officer Amanda Glassman moderates a panel on financing for education with Gordon Brown, UN Special Envoy for Education and former British Prime Minister; Julia Gillard, Global Partnership for Education and former Australian Prime Minister; Dr. Jakaya Mrisho Kikwete, former President of Tanzania; and Anthony Lake, Executive Director of UNICEF.

Senior fellow Charles Kenny; Bobby Pittman, Managing Director of Kupanda Capital and CGD board member; visiting fellow Nancy Lee; and Philippe Le Houérou, Executive Vice President and CEO of the International Finance Corporation discuss the private sector development agenda.
Assessing Public-Private Partnerships for Education

Partnering with the private sector is an increasingly popular—but largely unproven—tool to improve public service delivery in fragile states. When the Liberian government delegated management of 93 public schools to private contractors, it sparked controversy at home and internationally. In response, the government agreed to an impact evaluation of learning outcomes one year into the program. Senior fellow Justin Sandefur and a team of researchers conducted a randomized control trial, finding that while privately managed schools improved learning, the largest contractor ran up high costs and brought negative unintended consequences for some pupils and teachers. Sandefur and his coauthors presented their findings to President Ellen Johnson Sirleaf and her cabinet, injecting much-needed data to the heated debate around public-private partnerships for education.

Insuring Against Disaster

Disasters displace millions and cost billions each year, but still we treat them as surprises, slowing response and costing lives. To tackle this problem, CGD convened a working group of leaders in humanitarian response, insurance and risk finance, and international aid. Jointly led by CGD Europe director and senior fellow Owen Barder and Stefan Dercon of the UK’s Department for International Development (DFID), the group examined how smarter financial instruments can mobilize money quickly and predictably. Its report—Payouts for Perils: How Insurance Can Radically Improve Emergency Aid—proposed two key innovations in how disaster assistance is deployed: existing funding should allow governments and agencies to pre-enroll for rapid support against predictable future costs, and where there is no pool of money, risk should be transferred to the insurance sector through concessional insurance.

The working group’s findings are shaping thinking about disaster response across the development community. In July, DFID announced an initiative to help poor countries prepare for disaster, including through insurance. And in early 2018, the World Bank issued its largest disaster catastrophe bond to date, providing earthquake coverage to Peru, Mexico, Chile, and Colombia.

“...a must-read for those working to achieve universal health coverage.”

—Soumya Swaminathan, Director, Indian Council of Medical Research

Designing Benefits for Universal Health Coverage

What’s In, What’s Out: Designing Benefits for Universal Health Coverage, edited by senior fellow and chief operating officer Amanda Glassman, Ursula Giedion, and Peter C. Smith, is a practical guide for policymakers working to move universal health coverage (UHC) from rhetoric to reality. With contributions from leading health economists and policy experts, the book argues that the creation of a health benefits plan—a defined list of cost-effective services that are subsidized—is an essential step toward UHC in countries with limited health budgets. Glassman and CGD’s Global Health Policy program director and senior fellow Kalipso Chalkidou are using the book as a resource at workshops with policymakers designing UHC initiatives in India, Kenya, and South Africa.
Modernizing US Development Finance

Senior fellow Todd Moss has made the case to policymakers over the past several years that the US needs a modern, full-service, and self-sustaining agency to promote market solutions to reducing poverty. His proposal (with visiting fellow Ben Leo) for the creation of a new US development finance institution was included in the 2018 budget request. A bipartisan bill creating the new institution is pending in Congress and may ultimately make this specific CGD proposal a reality.

“CGD was the first place I went after I was named executive vice president of OPIC. I’ve read everything.”

— David Bohigian, Executive Vice President, Overseas Private Investment Corporation

Robert Mosbacher, Jr., CGD board member and former President and CEO of OPIC; senior fellow Todd Moss; and Jen Olson of Peck Madigan Jones discuss what can be done to prepare OPIC to meet future development challenges.
In 2017, CGD continued to be an important convening space for top thinkers and doers in global development. We hosted government ministers, multilateral bank presidents, agency heads, business leaders, former heads of state, and preeminent policy thinkers at events that helped define the conversation around today’s most pressing development challenges.
Mark Lowcock, UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, speaks about the humanitarian system in a time of urgent and growing need.

Jordan’s Minister of Planning and International Cooperation Imad N. Fakhoury; World Bank CEO Kristalina Georgieva; and International Rescue Committee President and CEO David Miliband at the launch of the CGD-IRC report *Refugee Compacts: Addressing the Crisis of Protracted Displacement*, coauthored by CGD senior fellow Cindy Huang and Nazanin Ash of IRC.
A CGD seminar co-hosted with the African Center for Economic Transformation and the IMF convened select African finance ministers to consider the changing development finance landscape and challenges in domestic resource mobilization. Participants included Kenyan Cabinet Secretary Henry Rotich; Burkina Faso’s Minister of Finance, Rosine Coulibaly; and Ghana’s Minister of Finance, Ken Ofori-Atta.

Helen Clark, the then Administrator of the United Nations Development Programme, reflects on recent gains and new trials facing development agencies.

Nandan Nilekani, founding chairman of Aadhaar, India’s unique identification system, discusses how digital platforms are extending access to key services. He was joined by Paul Romer, World Bank Chief Economist and Senior Vice President; Carolina Trivelli, former Minister of Development and Social Inclusion, Peru; and CGD senior fellow Alan Gelb.
2017 FINANCIALS

CGD leverages modest resources, world-class research with policy analysis, and sustained outreach to have an outsized impact on major policy debates, and to turn ideas into action.

Our experts’ work is grounded in rigorous, evidence-based analysis that is subject to peer review. We are grateful for a diverse group of supporters who help us maintain our independence and further our mission. We aim to be fully transparent about how we’re funded. In each of the last three years we have received top marks for financial transparency from Transparify and Charity Navigator.

Revenue
(funds available for 2017)
Total $15,130,961

Expenditures
Total $15,027,159

- Foundations 63%
- Government (non-US) 13%
- Corporations/Corp. Foundations 13%
- Individuals/Family Foundations 9%
- Nonprofits/NGOs/Other 2%
- Research and Programs 85%
- Management and Administration 11%
- Fundraising 4%

At a mini-summit co-hosted with European Bank for Reconstruction and Development President Sir Suma Chakrabarti, government ministers, development finance institutions, and private banks discuss opportunities to make China’s Belt and Road Initiative a success for developing countries.
FUNDERS

For more information, including our 2017 financials, visit cgdev.org/annual-reports. A full list of our 2017 supporters is available through cgdev.org/give.

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African Development Bank President Akinwumi Adesina joins senior fellow Nancy Birdsall; distinguished visiting fellows Ngozi Okonjo-Iweala, former Finance Minister, Nigeria and Antoinette Sayeh, former Finance Minister, Liberia; and president Masood Ahmed for a special event addressing how the AfDB can best fit into a more cohesive MDB system.
CGD Board Chair and former US Treasury Secretary Lawrence H. Summers speaks at CGD’s Global Development Changemaker Dinner. His remarks—Rethinking Global Development Policy for the 21st Century—focused on the changing power dynamics among global leaders and the development challenges ahead.
2017 BY THE NUMBERS

CGD’s strategic communications ignite important policy debates, convene top decision makers, and influence global development policy and practices.

- 83,200 @CGDev followers
- 15% One year increase in number of podcast downloads
- 86% One year increase in media mentions
- 107 Publications
- 132 CGD-hosted events
- More than 25,000 weekly newsletter subscribers
- 1.37 million Unique website visits