

July, 2010

**Global Development through Aid,
Partnerships, Trade and Education:
Recommendations from
Global Washington**



Global
Washington

PROMOTING & SUPPORTING THE GLOBAL
DEVELOPMENT SECTOR IN WASHINGTON STATE

Global Development through Aid, Partnerships, Trade and Education: Recommendations from Global Washington

EXECUTIVE SUMMARY

This report recommends ways to improve U.S. global development policy to meet Global Washington's four principles of aid effectiveness: (1) Transparency and Accountability; (2) Consolidation and Coordination; (3) Local Ownership; and (4) Targeting. Global Washington previously developed these four principles by consulting with international development experts from around the state, and they are discussed in detail in its Fall 2009 White Paper, *Making U.S. Foreign Assistance More Effective*. As a regional organization located far away from the D.C. Beltway, Global Washington is uniquely able to offer fresh perspective on global development issues through its member organizations who are making important contributions to the field.

The Pacific Northwest has evolved into a robust center of global activity, and several internationally-recognized companies, foundations, universities, and nonprofit organizations with operations around the world call Washington State home. Local organizations are actively engaged in improving the economic, social and environmental conditions in the developing world, and their diverse programs include: direct service delivery, capacity building, education and training, research, advocacy, product development, and corporate citizenship and philanthropy. Together, the global development sector in Washington State forms a strong constituency for foreign aid reform.

Washington State's globally-minded citizens have elected leaders who are highly engaged in global development issues on the national stage. In particular, the congressional delegation from Washington State has taken the initiative on myriad global issues. For example, Senator Cantwell is known for her work in green technology and U.S.-China trade. Senator Murray has introduced legislation on global health technology. Representative Adam Smith introduced legislation in 2007 on reforming U.S. foreign aid, which passed the U.S. House of Representatives, though it did not become law. Representative Jim McDermott sponsored the African Growth and Opportunity Act and subsequent amendments. Representative Jay Inslee is a member of the House Select Committee on Energy Independence and Global Warming, and has written a book on alternative energy sources called *Apollo's Fire*. There are certainly more examples and Global Washington hopes to support members of Washington's congressional delegation as they continue this important work.

Global Washington Recommendations

For this report, Global Washington convened local experts to propose recommendations on four topics: *Aid; Trade and Development; Public-Private Partnerships; and Global Education*. These

topics were selected based upon their contribution to positive global development outcomes, as well as the ability of Global Washington members to add significant value, experience, and expertise to each topic. In the course of the working group discussions, overarching themes arose across the topic areas, including:

- The use of Global Washington’s four principles of aid effectiveness (Transparency and Accountability, Consolidation and Coordination, Local Ownership, and Targeting) as a policy framework
- The alignment of development goals with policies in other sectors like trade and climate change
- The expansion of access to information about programs, policies, and budgets
- The need for increased funding flexibility promoting cross-sector collaboration

The *Aid* section focuses on the need for major reforms in the structure of U.S. foreign assistance and the way it is delivered, and includes vignettes of organizations that exemplify the great international development work being done by organizations located in Washington State, such as World Concern and the Rural Development Institute.

The *Trade and Development* section details the importance of international trade to the state of Washington, and recommends policy changes to make trade work better for development.

The section on *Public-Private Partnerships* explains the growing participation of non-state actors in global development work—including private sector firms, foundations, non-governmental organization, and academic institutions—and their specific technical, financial, and in-kind contributions to development initiatives in conjunction with donors.

The *Global Education* section outlines the member organizations’ approach to global cultural competence in education policy and its benefits to the citizens of Washington State – and potentially the whole country.

Collaboration on Global Development Reform

Global Washington has included a broad range of member perspectives in making the recommendations below. Where there was some disagreement, it is noted in the working group reports that follow. There is broad agreement that our dialogue should continue. Drawing upon the strengths and development experience of our members, we intend to update these recommendations as events warrant. Our overriding recommendation is that current and future decisions on US development policy and organization be guided by **Global Washington's Principles of Aid Effectiveness: Transparency, Coordination, Local Ownership and Targeting**. They have been tested by each working group independently and found to apply across the board.

Foreign Aid and Development Policy Recommendations

1. Develop a national global development strategy overseen by a single department autonomous from Departments of State and Defense.
2. Target aid to communities most in need, including people living in poverty, women, and rural residents.
3. Increase local ownership, by aligning bilateral aid contracts with recipient government priorities, and work with local staff and contractors whenever possible.
4. Improve transparency and accountability through flexible financing mechanisms, such as more flexibility in multi-year contracts, and fund disbursements tied to actual program outcomes.

Public-Private Partnerships Recommendations

1. Establish a central clearinghouse to publicize the many opportunities available to collaborate with the U.S. government. Also improve transparency on the process for partnering with the U.S. government, such as the time-frame for decision-making, level of U.S. government commitment to partnerships, and partner roles and responsibilities.
2. Strengthen local consultation in the determination of partnerships.
3. Structure partnerships differently according to the situation in different countries, for example, in high-risk environments the U.S. government may need to absorb more risk.
4. Develop and articulate a vision for public-private partnerships and their contribution to reducing poverty in a national development strategy, or other similar processes such as the Presidential Study Directive.

Trade and Development Recommendations

1. Improve policy coherence between trade and development by considering development outcomes in U.S. trade policy.
2. Provide duty and quota free access to the U.S. market for the most poor and vulnerable countries. Couple this market access with capacity building to help countries export to the United States, and encourage developing country policies that support domestic industry.
3. Improve the coherence, coordination, and local ownership of trade capacity building by implementing a process for developing countries to document their needs and priorities for assistance.
4. Renew the U.S. commitment to the original development goals of the Doha Development Round of WTO negotiations.

Global Education

1. Improve coordination among the U.S. Departments of Education, State, Defense, and Homeland Security in designing and implementing programs to support global cultural understanding.

2. Continue efforts to ensure flexible visa access to enable students from abroad to study in the United States.
3. Increase funding for the National Security Education Program (NSEP) and other federal programs designed to increase teaching and learning of critical less-commonly taught languages in U.S. schools and postsecondary institutions.
4. Reduce the complexity of export control regulations to encourage research collaborations with foreign students in key scientific areas.
5. Support final passage and timely implementation of the Simon Act, which calls for a dramatic expansion in the number of U.S. students in higher education studying abroad.

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Table of Contents

Executive Summary	2
Foreign Aid and Development Policy	7
Washington State – A National Leader in Global Development Innovation and Financing	7
Highlights from Home: Innovations in Development	8
Involvement from All Sectors and Corners	9
Lessons from the Field: Recommendations to Strengthen US Foreign Assistance Policy and Practice .	11
Next Steps – Role of Washington State in Advancing these Recommendations.....	15
Public-Private Partnerships for Global Development	17
The Shifting Landscape of Global Development	17
Public-Private Partnerships: A New Development Tool.....	18
Partnership Experience in Washington State	18
Public-Private Partnership Examples from Washington State.....	19
Policy Recommendations.....	22
Trade and Development	27
Washington State – an Established Leader in Trade and Development.....	27
Washington State Businesses: Engaged in Trade and Aid	28
Recommendations for Reform.....	30
Global Education	34
Background: Global Cultural Competence.....	34
Examples of Success.....	34
Policy Challenges.....	43

Acknowledgments

This report is the culmination of work by the Global Washington Policy Panel, working group members and volunteers. In total, more than 40 people have contributed to this report. The working groups were chaired by Dick Nelson (Aid), Carol Welch (Partnerships), Steve Crane (Trade), and Steve Hanson (Education). The principal working group writers were Anne Buffardi (Aid), Saira Abbassey McDonald (Partnerships), Brittany Jacobs (Partnerships), Danielle Ellingston (Trade), and Shari Kooistra (Education).

FOREIGN AID AND DEVELOPMENT POLICY

Washington State - A National Leader in Global Development Innovation & Financing

Washington State is a national leader in financing and implementing development assistance programs across the globe, home to:

- Nearly 200 nonprofit organizations that work in 144 developing countries on 5 continents to address health, livelihood and environmental concerns¹
- Nearly 300 companies that contribute to global sustainable development through the development of products and services that address societal needs with marketplace solutions²
- Nearly 30 major companies that provide financial support for international philanthropic projects, including Global Compact participants Microsoft and Starbucks²

In addition to mobilizing significant financial and human resources, Washington State innovators are bringing creativity and ingenuity to how foreign aid is designed and delivered, pushing the field to develop new strategies, products and partnerships to confront our shared challenges of the 21st century. Washington State leaders and organizations have been nationally recognized for their work, honored with a Nobel Prize nomination, Conrad N. Hilton Humanitarian Prize, Schwab Social Entrepreneur Award, Gleitsman International Award, Henry R. Kravis Prize in Nonprofit Leadership, United Nations Population Award, Tech Museum of Innovation, Magnum Opus Award and Fast Company Social Capitalist Award, among others.

Together, Washington State residents, entrepreneurs, development practitioners, congregations, community giving circles, private foundations, educational institutions, grassroots organizations and large international nonprofits represent a strong constituency for global development, demonstrating both personal and collective commitments to alleviating poverty and improving the wellbeing of fellow citizens across the world.

Significance to the State

The prominence of development organizations headquartered in Washington State has attracted top talent and millions of dollars annually in financial resources to the state:

- More than \$300 million in grants and contracts from the US government³
- 185 corporate and foundation grants totaling more than \$150 million for international relief and development work⁴
- \$73 million in consulting and contract awards from the World Bank⁵
- \$143 million in annual tax revenue from the \$4 billion global health sector alone⁶
- \$168 million in salaries for more than 3,000 Washington-based employees⁷

¹ Global Washington (2009). Global Development: Vital to Washington's Future. A Profile of Washington State's Global Development Sector. Seattle, WA: Author.

² Global Washington (2007). The Global State of Washington. Seattle, WA: Author. <http://globalwa.theoutdoormap.com/wp-content/uploads/2009/06/4-pager.pdf>

³ USAID Private Voluntary Organization Registry: <http://www.pvo.net/usaid/index.html> with financial information updated from World Vision, PATH, Health Alliance International and World Concern 2008 annual reports.

⁴ Philanthropy Northwest (2008). Trends in Northwest Giving. Seattle, WA: Author.

http://www.philanthropynw.org/s_pnw/bin.asp?CID=8175&DID=18521&DOC=FILE.PDF

⁵ World Bank (2009). Contract Awards Search: <http://go.worldbank.org/81PSOGP110>.

⁶ Global Washington (2009). Global Development: Vital to Washington's Future. A Profile of Washington State's Global Development Sector. Seattle, WA: Author.

Beyond financial and human resources, Washington State's leadership in international development has raised the national – indeed, international – profile of the state, spreading the pioneering Pacific Northwest spirit of innovation, commitment to social justice and development expertise across the globe.

Highlights from Home: Innovations in Development

Grameen Technology Center, Rural Development Institute and World Concern, all headquartered in the Puget Sound region (Seattle and Shoreline), exemplify the great potential of international assistance in improving global development. Collectively, their work highlights the importance of creating cross-sector partnerships, developing long-term, meaningful relationships with local organizations and beneficiaries in developing countries, working systemically and harnessing technology to expand access and opportunities, designing programs with explicit consideration of financial and institutional sustainability, using monitoring and evaluation to improve implementation efforts, and creating synergies across services to address economic, social and environmental challenges in a unified way.

Grameen Technology Center (GTC) works to channel and adapt new technologies developed together with the private sector to expand access to agriculture, healthcare and marketplace information for poor and remote communities around the world. GTC's Application Laboratory (AppLab) uses mobile phones – the quintessential leapfrog technology – to gather and disseminate information about local market prices and treating crop diseases. A marketplace application connects buyers and sellers – a Craig's List of sorts for rural farmers. In addition to agricultural applications, this new information portal covers health topics, such as malaria and HIV prevention, and includes a clinic finder to direct customers to local health services.

The AppLab initiative is an example of nonprofit and private sector partnerships at work. Grameen developed the Farmer's Friend concept based on decades of experience working with rural communities living in poverty. They then enlisted the expertise of Google to provide human and technology resources to develop the applications and searchable database, and the mobile phone company MTN Uganda to provide the communications infrastructure and distribution network. Capitalizing on the comparative advantage of each partner, Grameen Technology Center, Google and MTN Uganda are working to bridge the information gap for those in greatest need in a way that is both financially sustainable and scalable.

Rural Development Institute (RDI) works systemically alongside government leaders to create legal and legislative reforms that confer land rights to the rural poor, extending such rights to over 400 million people in more than 45 countries. Nearly four decades ago, RDI began its work by supporting South Vietnamese leaders in implementing a new land code which increased land ownership among rural farmers. As a result, rice production in South Vietnam skyrocketed and Viet Cong army enrollment plummeted, demonstrating that expanding rights and economic opportunities to individuals living in poverty can accomplish both development and security goals.

Complementing RDI's policy focus, USAID supported implementation of the land reform act in South Vietnam with 30 full-time appointed staff to assist with ongoing monitoring and evaluation. RDI considers USAID's on-the-ground support during the early stages of the

transition critical to the reform's success, enabling real time data collection to guide mid-course improvements in implementation.

Today, Rural Development Institute is applying their approach in the world's two most populous countries, India and China. RDI partners with organizations with complementary specializations, using land ownership as a platform upon which other economic development initiatives, such as microcredit ventures, can be based. Indeed, the Millennium Challenge Corporation (MCC) underscores the significance of land rights and access, including it as one of the 17 indicators used to determine recipient country eligibility.

World Concern is on the ground when disaster strikes, when conflict forces communities to relocate to ensure their very survival, working in 24 countries in Africa, Asia and the Americas. Rather than simply distributing supplies, however, this faith-based, humanitarian organization focuses on the critical transition from immediate relief to longer-term development, addressing basic needs, sustainable livelihoods and family stability. World Concern's 'Cash for Work' program in Eastern Chad provides market vouchers for refugees from the Darfur region of Sudan in exchange for participants' work in planting trees and digging irrigation ponds in the local community. The vouchers are redeemed at monthly community fairs, where families can purchase food and other items from local vendors until they can begin producing crops themselves. This innovative model stimulates local economic development, minimizes corruption by engaging local business leaders and eliminates large shipping expenses that accompany traditional food aid programs.

Involvement from All Sectors and All Corners

The brief excerpts below provide examples of the many development activities being undertaken across the state, across fields (health, environment, humanitarian aid, microfinance) and across sectors (nonprofits, foundations, service clubs, congregations)⁷.

Nonprofit Organizations: On the Ground, Creating Change

With tens of thousands of employees working in over 100 countries, international nonprofit organizations headquartered in Washington State are on the front lines of global development, uniquely positioned to offer valuable insights on how best to improve the design, implementation and assessment of foreign assistance programs. Ranging from established organizations founded in a post-war context like World Vision to more recently formed groups launched in the new millennium like Water 1st International, Washington State organizations represent a dynamic combination of learned experience and fresh innovation.

World Vision is one of the oldest and largest faith-based humanitarian organizations in the United States. Working in nearly 100 countries, World Vision has received support from more than 3 million donors, supporters and volunteers, as well as \$280 million in federal government grants, generating \$1.1 billion in revenue in 2008 to provide support to earthquake and hurricane survivors, abandoned and exploited children, survivors of famine and civil war, refugees, and families devastated by AIDS in Africa, Asia and Latin America.

⁷ For a more comprehensive list, view the Global Washington Directory online at: http://globalwa.org/?page_id=91

PATH has been a leader for more than three decades in creating sustainable, culturally relevant solutions to break longstanding cycles of poor health. Working in more than 70 countries with \$187 million in revenue in 2008, PATH focuses on solutions for emerging and epidemic diseases, like AIDS, tuberculosis and malaria, health technologies designed for low-resource settings by the people who will use them, safer childbirth and healthy children, health equity for women and the basic protection of vaccines for women and children around the world.

Water 1st International brings development back to the basics, demonstrating how simple solutions can have profound, lifesaving impacts on people's lives. Based on the belief that access to safe water is a basic human right and the first step to ending the cycle of poverty, Water 1st International supports partner organizations in Ethiopia, India, Bangladesh, and Honduras to implement community-managed projects that integrate water supply, sanitation, and health education, funding 170 projects benefiting more than 28,000 people in its short four years of existence.

Philanthropy: Mobilizing Unprecedented Resources

Washington State is home to many philanthropic organizations that work toward international development. Some examples of these organizations include: the McKinstry Charitable Foundation, Seattle International Foundation, Amazon Partnerships Foundation, Laird Norton Family Foundation, and Pura Vida Partners.

Since its creation fifteen years ago, the **Bill & Melinda Gates Foundation** has changed the face of international philanthropy, mobilizing an unprecedented level of private resources for international development. With a \$29.5 billion endowment, the Gates Foundation awarded \$2.2 billion in grants in 2008 to support global development and global health, including agricultural development, financial services for the poor, water, sanitation and hygiene, and the discovery, development and delivery of effective and affordable health tools. In addition to financial resources, the Gates Foundation has played an important signaling function, raising global awareness of previously neglected diseases and health conditions that cause the greatest illness and death in developing countries, including diarrhea, malaria and tuberculosis.

An additional 38 Washington State foundations reported providing more than \$12 million in grants to Global Development efforts in 2007⁸.

Grassroots Engagement & Giving

In addition to large international institutions, residents across Washington State are themselves engaged in advocacy and philanthropy, lending their voices and dollars to combat poverty and disease across the globe:

RESULTS, a national grassroots education and advocacy organization, has chapters in Bremerton, Olympia, Olalla, Redmond, Seattle, Snohomish, Spokane, Tacoma, and Vashon Island with more than 500 volunteers who contribute their time, energy and financial resources to improve policies that give low-income people the tools they need to move out of poverty, supporting the organization's global agenda on education, microfinance, health and foreign aid reform.

⁸ Global Washington (2009). Global Development: Vital to Washington's Future. A Profile of Washington State's Global Development Sector. Seattle, WA: Author.

Pangea, established in Seattle in 2003, is an association of individuals dedicated to increasing the philanthropic resources for international projects that help people in economically disadvantaged countries lead healthy, productive lives. Providing an annual contribution of \$1,000 or more, Pangea members directly invest their money and time to promote economic and social development beyond our borders.

Slum Doctor Programme, based in Bellingham, raises money and awareness about the global HIV pandemic. Taking a community-to-community approach, Slum Doctor members provide financial support for income generating activities for AIDS widows through the Busoga Shining Light Association in Uganda, meals for children at the Rabuor Village Nursery School, scholarships for young women at the Ombogo Girls' Academy, health programs at the Hope Center for Infectious Diseases, and care for AIDS orphans in Cura Village in Kenya.

Members of **Rotary International** and other service clubs are actively engaged in international service projects across the globe. For example, 14 Rotary clubs in Washington State, partnering with clubs in Russia, have raised nearly half a million dollars to support 23 projects to improve health and educational opportunities for children in this transitioning country, including a mobile dental unit for an orphanage in Irkutsk and recording equipment for a library for the blind in Novosibirsk.

Faith-based communities across the state are putting their principals into practice, supporting international relief and development work both through their national denominational affiliations and on an individual congregation basis. For example, **Plymouth Congregational Church** in Seattle has partnered with their sister church, Iglesias Morava in Managua, Nicaragua for more than two decades, helping to rebuild structures damaged by Hurricane Felix, and funding a health clinic and an employment center for local women.

Washington State ranks third in all time **Peace Corps Volunteers** from the United States. Since 1961, more than 8,000 WA residents have served in the Peace Corps. For every 1,000 residents, 5.2 currently serve as Peace Corps Volunteers.

Lessons from the Field: Recommendations to Strengthen US Foreign Assistance Policy and Practice

The organizational highlights above demonstrate that international assistance programs are leading to tangible impacts in people's lives. Despite these success stories, however, the needs remain vast, with more than 1.4 billion people living in poverty⁹ (more than 200 times the size of Washington State's population), 1.1 billion without access to clean water¹⁰ and 33 million living with HIV¹¹. Moreover, the economic and political context of the 21st century is markedly different than that of 1961 when the US Foreign Assistance Act was enacted. There is an urgent

⁹ Defined by the World Bank as less than \$1.25/day. Chen S & Ravallion M (2008). The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty. World Bank Policy Research Working Paper 4703, Washington, DC: World Bank.

¹⁰ World Health Organization (2009). Water supply, sanitation and hygiene development: http://www.who.int/water_sanitation_health/hygiene/en/

¹¹ UNAIDS (2008). 2008 Report on the Global AIDS Epidemic. Geneva, Switzerland: Author.

need to modernize the US foreign assistance system to more adequately address both persistent problems of poverty and disease, as well as new challenges like global climate change.

Limitations of Current Foreign Assistance Legislation

As discussed in the Global Washington white paper, and reinforced by feedback from Washington State development practitioners, the ability of US foreign assistance to maximize its potential impact in reducing poverty and improving global development is limited by its:

Policy goals and targeting

- Political nature with inadequate targeting of aid resources to countries most in need
- Donor driven agenda that does not sufficiently prioritize local ownership and take advantage of local resources and expertise
- Lack of coherence and coordination within US foreign assistance policy, across US aid, trade, agricultural and investment policies, and among US and other bilateral, multilateral and private aid donor policies

Nature of aid flows

- Insufficient amount, representing only 0.18% of the US Gross National Income
- Constraints on how aid is spent (earmarks and tied aid¹²) that results in an inefficient use of resources
- Lack of transparency in aid allocation and budgets

Implementation restrictions

- Rigid budget cycles that provide little flexibility for long-term investments and the leveraging of additional resources
- Restrictive program mandates that limit what activities can be undertaken
- Bureaucratic and time consuming contracting procedures
- Replacement of full-time USAID staff with contract staff who are less able to build and maintain strong relationships with governments and communities in recipient countries
- Emphasis on quantitative rather than qualitative assessments of success, prioritizing the extent of program coverage rather than its quality or sustainability

Building on Recent Progress

In recent months both the Obama Administration and Congress have taken important steps to begin to address these concerns. Significantly, President Obama, in his September 22nd speech to the United Nations General Assembly, pledged U.S. commitment to the U.N.'s Millennium Development Goals, which aim to reduce global poverty in eight measurable areas by 2015: "We will support the Millennium Development Goals... with a global plan to make them a reality." Recent actions taken by the President and Congress include the Presidential Study Directive on Global Development Policy, State Department's Quadrennial Diplomacy and Development Review, and introduction of the bipartisan Initiating Foreign Assistance Reform Act of 2009 (HR 2139) and Foreign Assistance Revitalization and Accountability Act of 2009 (S 1524). To further advance this progress, we propose the following recommendations, based on the experience, expertise and values of Washington State individuals and institutions.

¹² Tied aid is a loan or grant that must be spent on goods and services from the donor country.

Convergence around Climate Change: The Intersections of Trade, Aid and Development

The urgent need to adequately address the harmful effects of climate change epitomizes the shared global development challenges of the 21st century – demonstrating how it is in our individual and collective interest to work together to confront common threats whose causes and consequences know no borders. Moreover, the challenge of climate change illustrates how trade and aid policies can work in tandem to achieve mutually beneficial goals.

Washington State is a leader in green technology innovation and can make a significant contribution to mitigating the global impacts of climate change. However, in recent years the US as a whole has fallen behind other countries in this field. Since 2003, the US has been a net importer of green technology, mainly in the areas of pollution abatement equipment and renewable energy products. Our dependence on imports reflects not only lackluster US green technology exports but also the absence of clear US climate and clean energy policies to provide incentives for innovation and investment in green technology. The European Union and Japan, in contrast, have made specific commitments on greenhouse gas emissions, and have made the promotion of green technology integral to their emissions reduction goals.

As a major contributor to global warming, the US has an obligation to substantially reduce its greenhouse gas emissions. Global Washington recommends that the US government commit to achieving these reductions and promote the domestic development of the clean energy technologies required to do so. Policies could include the provision of financial and other types of incentives, including export and investment promotion activities of the Export-Import Bank, the Overseas Private Investment Corporation, and the Trade and Development Agency. Combined with a national strategy on emissions and global climate change, these incentives will help catalyze greater US innovation in green technology and transfer of this technology to low and middle income countries through the global market.

Market-based solutions, however, will not be enough to make green technology available to many low income countries. Recognizing that poor communities in these countries are particularly vulnerable to the destructive effects of global climate change, which threaten to undermine hard-earned development gains, Global Washington recommends that the US fund mitigation and adaptation programs to moderate adverse impacts and help other countries achieve sustainable reductions in their own emission levels. These funds should be a supplement to rather than a substitute for other development activities. By stimulating domestic production of green energy

Big Picture Recommendations

The first set of recommendations add the overall structure and goals of US foreign assistance, with the aim of increasing transparency and accountability and improving coordination and targeting of US foreign assistance – all important components of a well-functioning aid system.

1. Transform the structure of US foreign assistance, as proposed in the Global Washington white paper and by the Modernizing Foreign Assistance Network (MFAN).

- Develop a national global development strategy designed to achieve the United Nations Millennium Development Goals.
- Create a single department autonomous from the Departments of State and Defense, possibly a cabinet-level Director of Development.
- Make information about the national global development strategy, goals and budget transparent and easily accessible
- Create unified legislation to modernize the 1961 Foreign Assistance Act
- Communicate and coordinate US development activities with those of other bilateral, multilateral and private aid donors, as committed to in the Paris Declaration of Aid Effectiveness
- Improve policy coherence by ensuring that policies in other sectors (such as trade and climate change policy) align with development goals.

2. Increase the proportion of aid targeted to communities most in need, including people living in poverty, women and rural residents.

- Increase funding for and maintain the independence of the Millennium Challenge Corporation, a promising program through which the US is targeting aid to low income countries with a demonstrated commitment to good governance
- Support the creation of a Global Fund for Education, recognizing the importance of education in economic and social mobility and in empowering girls and women
- Eliminate tied aid and increase use of recipient country financial management and procurement systems, as committed to in the Paris Declaration of Aid Effectiveness

Development from the Bottom Up

Complementing these top-down big picture recommendations are suggestions on how to improve development from the bottom up by increasing local ownership, creating more flexible funding mechanisms and promoting cross-sector partnerships. Given the contextual nature of development work, we acknowledge that operational strategies will vary from place to place; these preliminary recommendations are meant to offer the starting point for renewed dialogue with development practitioners in the US and in recipient countries and with beneficiaries who are best placed to offer insights on how the delivery of US foreign assistance can be most effective.

3. Increase local ownership

- Structure bilateral aid contracts to align project goals with recipient government priorities, as committed to in the Paris Declaration of Aid Effectiveness¹³. Again, the MCC appears to be

¹³ <http://www.oecd.org/dataoecd/30/63/43911948.pdf>

a promising mechanism to improve local ownership by facilitating grassroots consultation and building local capacity to design and implement projects.

- Identify the comparative advantage of the US government and its potential development partners and define roles accordingly. Learning by example, Global Partnerships identifies their comparative advantage – accessing large amounts of capital – and mobilizes these resources to support business plans developed by local microfinance institutions, relying on their in-country partners to provide implementation expertise. *‘We identify what only we can do, and we do only that.’*
- Employ, train and empower local staff, and structure contracts to enable contractors to hire locally whenever possible. More than 95% of Rural Development Institute and World Concern employees are nationals of the countries in which they operate, explicitly staffed in this way to ensure that their work is driven by local priorities.

4. Improve transparency and accountability through flexible financing mechanisms

- Tie fund disbursement to the achievement of program outcomes. For example, the Global Alliance for Vaccines and Immunization (GAVI) provides two years of initial funding based on the estimated number of children to be vaccinated. Subsequent disbursements are based on actual increases in immunization coverage, linking continued funding to demonstrated outcomes.
- Within a multi-year contract, allow for more flexibility across budget years to enable projects to respond to changing conditions in the field.
- Fund an experimental pilot block grant program for sustainable development projects like microfinance that reduce poverty and return the initial investment to lending institutions (including the US government) within ten years.

5. Promote cross-sector partnerships to take advantage of the unique strengths of public, private nonprofit and private for-profit sectors. Examples could include:

- Strategies that use philanthropic contributions to leverage public and private investments like those employed by Global Partnerships and the Gates Foundation
- Operational research collaborations between universities and nonprofit implementing organizations to identify new methods for capturing aid impacts (as opposed to outputs) and to evaluate foreign assistance projects in a more rigorous manner
- Competitive matching grant opportunities for nonprofit organizations to expand access to and tailor commercial products to previously excluded populations like PATH and Grameen Technology Center’s AppLab initiative

Next Steps - Role of Washington State in Advancing these Recommendations

Washington State development practitioners, organizations and supporters are eager to use their experience to help shape the transformation of anti-poverty and development work to meet the challenges of the 21st century. In particular, they are well placed to lend expertise in:

- Creating and adapting technologies for development purposes
- Incorporating financial sustainability components into project designs
- Integrating private aid donors into existing efforts to coordinate international assistance programs, which to date have focused almost exclusively on bilateral and multilateral aid donors
- Contributing to a national public awareness campaign by elevating the voices of beneficiaries and sharing success stories from the field

- Facilitating development dialogues among donors and beneficiaries to identify additional operational strategies to foster local ownership
- Developing and testing new methods to evaluate aid effectiveness on the ground
- Sharing new philanthropic models that offer unique approaches to financing and promote cross-sector partnerships
- Developing alternative energy goods and services to build green economies across the globe

While the scope and complexity of global development challenges is vast, so too is the potential of citizens around the world, and of Washington State residents, organizations, businesses and foundations in particular, who are committed to and engaged in innovative efforts to create a more prosperous world for us all.

PUBLIC-PRIVATE PARTNERSHIPS FOR GLOBAL DEVELOPMENT

A decaying US foreign assistance system threatens to stall much of the progress made in the developing world over the last five decades. There is no question that major reform is needed. In fact, as the Obama Administration and Congress attempt to modernize foreign assistance, there is unique opportunity to examine the changed global development context, including the rise of new players and nonstate actors, and to take a closer look at new, innovative tools like *public-private partnerships* which have made significant and sustainable impact. For purposes of this paper, public-private partnerships are defined as a joint venture funded and operated through a partnership of government and a private sector company, non-governmental organization or an academic institution. Foreign assistance reform should aim to increase partnership opportunities by productively engaging private actors with the US government in the effort to improve opportunities for the world's poor and those struggling to make a better life.

The Shifting Landscape of Global Development

Introduced in 1961, the Foreign Assistance Act engaged the US Government in the fight against global concerns like poverty, disease, and famine in a vastly different setting from what we have today: US Government-funded Official Development Assistance was the primary resource flowing from the US to developing countries, and dialogue between the public, private, and nonprofit sectors rarely occurred.

Today's development context has evolved significantly since the legislation was written. According to the U.S. Agency for International Development,¹⁴ as of 2005, approximately 80% of resource flows from the US to the developing world are now from private sources. This reversal reflects a changed global landscape, in which a set of diverse, non-traditional actors—including foundations, corporations, private voluntary organizations, nongovernmental organizations (NGOs), institutions of higher education, and faith-based organizations have become influential stakeholders in the international development agenda.

Private resources targeted to developing countries have traditionally been financial investments: foreign direct investment, commercial bank loans, equity portfolio investments, and charitable giving. Increasingly, however, non-traditional actors are finding that a country's improved development record can positively impact success in their own sector: a "win" for development typically translates into a "win" for their business mandate. Furthermore, as multinational private actors show no immunity to current transnational issues like the global financial meltdown, H1N1, and climate change, they have been forced to collaborate with their public counterparts to develop solutions.

¹⁴ U. S. Agency for International Development, "The Guide to the 2005 Resource Flows Analysis – The Private Revolution in Financing Development," United States Agency for International Development, http://www.usaid.gov/our_work/global_partnerships/gda/resources/pie_analysis.pdf

Public-Private Partnerships: a New Development Tool

Today, many private entities contribute to global development projects by going beyond financial investment. Instead, they engage bi- and multi-lateral donor institutions in public-private partnerships. The Global Partnership Initiative (GPI) at the U.S. Department of State defines a *partnership* as a:

*Collaborative working relationship [between governmental and] ... non-governmental partners in which the goals, structure and governance, as well as roles and responsibilities, are mutually determined and decision-making is shared. Successful partnerships are characterized by complementary equities, openness and transparency, mutual benefit, shared risks and rewards, and accountability.*¹⁵

Public-private partnerships offer an opportunity for each partner to add value in the area in which it has a competitive advantage, while leveraging complementary knowledge, skills, and financial, human, and technical resources from other partnership members. For example, non-traditional development partners value the matching funds, local knowledge, development expertise, networks, and credibility of public international development agencies. Development agencies, in turn, value the resources, technical expertise, and long-term investment and sustainability that corporations, NGOs, universities, and others bring to development programming.¹⁶ Partnerships have injected innovation into development, and have truly become a new way of doing business.

Partnership Experience in Washington State

To expand research on current development partnerships in Washington State, Global Washington distributed a survey in fall 2009 to over 3500 individuals and institutions including nonprofits, large corporations, and members of academia from the state of Washington. The survey responses indicate that Washington State-based global development actors have varying degrees of experience with public-private partnerships. Those respondents who indicated a partner relationship have collaborated most with three major US Government agencies: USAID, USDA's Office of Sustainable Development Partnerships, and the State Department's Global Partnership Initiative, and tend to be larger actors like Microsoft and Starbucks (corporations), PATH, Agros International, and the Gates Foundation (NGOs). A few respondents noted collaboration with local entities like the City of Seattle, University of Washington, and Washington State University, while others highlighted relationships with other bilateral aid organizations like the Canadian International Development Agency (CIDA) and the British Department for International Development (DFID), and international bodies like the International Labor Organization (ILO), European Community, World Health Organization (WHO), and the United Nations Children's Fund (UNICEF).

¹⁵ U.S. Department of State, "Guide to Partnering," U.S. Department of State, <http://www.state.gov/s/partnerships/guide/index.htm>

¹⁶ U.S. Agency for International Development, "Evaluating Global Development Alliances: An Analysis of USAID's Public-Private Partnerships for Development," U.S. Agency for International Development

Survey respondents noted the following *benefits* of working in public-private partnerships:

- local, sustainable solutions
- expanded networks
- access to reliable funding
- creative problem-solving
- mission alignment, shared standard of quality and values
- leveraged resources
- clear expectation of partnership relationship
- degree of flexibility
- research and development
- risk reduction

Survey respondents also noted the following *challenges* to partnership development:

- varied funding timelines across sectors
- onerous operating procedures
- lack of effective communication
- delays in funding outlays and program directives
- access to appropriate partner personnel
- lack of focus and coordination in the US government
- limited areas for collaboration
- time frame for joint project planning and implementation
- last minute shifts in policy and program emphases
- US government unfamiliarity with private sector culture and roles (and vice versa)
- lack of transparency
- need for better coordination, more information and incentive to participate in partnerships in developing countries

Effective use of the public-private partnership model as a global development tool has potential to promote the state of Washington as a home of global engagement and a shared sense of interdependence between myriad players who serve the developing world— ranging from Fortune 500 companies to small, grassroots NGOs. It is in everyone’s interest to capitalize on the benefits of partnerships and address their challenges to yield relevant, sustainable global development outcomes.

Public-Private Partnership Examples from Washington State

Washington State is home to leading academic institutions, foundations, international nonprofits, and multinational corporations. Its citizenry is made up of a highly skilled and educated workforce, which helps to create its flourishing – and compassionate – communities. Washingtonians embody the entrepreneurial spirit that has helped create our historically vital business sectors. Public-private partnerships, in particular, are driven by Washington’s diverse and resilient economy. The following examples are only some of the state’s successful partnerships.

Microsoft

Through its *Partnerships for Technology Access* (PTA) program, Redmond-based Microsoft works with governments, banks, telecommunications companies, other information technology (IT) vendors, and nonprofits in countries around the globe to deliver technology solutions to underserved communities. According to Diana Pallais, PTA's Managing Director, the guiding principle is that “development is too important and too formidable to attempt unilaterally.”

Microsoft, through its PTA initiative, sees an opportunity to define and realize direct business opportunity through partnerships. But this is only possible when the business filters are adjusted to be compatible with the public policy objectives of the sponsoring government. As Pallais puts it, “in the business of ICT4D¹⁷, *development* has to come first.” The PTA initiative has now served over three million underserved citizens, primarily in emerging markets, through more than one hundred successful partnerships. Over time the program has grown and evolved, so that the fundamentals of the initiative are now embedded in the mainstream sales function across all subsidiaries.

How is it done? The first step is to identify a partner in government whose structural reforms could benefit from a digitally enfranchised constituency. In other words, if there is a government interested in amplifying their e-government efforts, then Microsoft is interested in helping that government entity create the e-citizen base that will consume the e-government services. This triggers a virtuous circle for all involved but it also requires a multifaceted intervention that includes a fresh line of credit for the target segment, customized training and support, and novel distribution channels. For this, each PTA partnership is usually comprised of a bank, an NGO, a government agency, and ICT vendors. This kind of collaboration across the public-private divide is sustainable because every stakeholder derives a direct benefit from the effort of participating—a benefit that could not be arrived at if attempted in isolation.

To provide just one example of Microsoft’s PTA program is a successful initiative in Argentina, where the National Social Security Administration (ANSES) required an innovative solution to deliver the pensions in a more effective way— and it turned to E-government as a means to do so. Since e-government requires e-citizens, and since pensioners are not typically at the forefront of technology adoption, this PTA deal set out to help seniors purchase their first PC with genuine software through a 40 month installment program managed by the bank that distributes their pension check, underwritten by the pension agency so the annual percentage rate was 0%. The installments made the PC affordable, but not necessarily relevant. To make it compelling to the seniors and directly linked to the government’s e-government efforts, the consortium included an NGO with a long history of serving seniors, a longstanding partnership with ANSES, and an extensive infrastructure of community centers across the country. At the behest of the government, Microsoft reinvests a small part of its profit margin to that NGO’s effort to train seniors to discover and utilize e-government services that target them. This targeted intervention makes the PC materially and directly valuable to the pensioner who depends on the fixed income and services increasingly channeled through e-government.

In the end, much more was accomplished than the initial goal of streamlining pension benefits. This successful partnership empowered citizens, enabled government to serve its constituents, and brought together a number of diverse actors, including the ANSES of Argentina, state-owned Banco Nación Argentina, Microsoft, Intel, Hewlett-Packard, local PC manufacturers, and Argentinean NGOs. This is the blueprint used in the hundreds of PTA initiatives worldwide, resulting in expanded markets for Microsoft, and a development policy agenda enriched by technology’s transformative power.

¹⁷ ICT4D is the industry shorthand for the discipline of “Information and Communication Technology for Development.”

PATH

PATH is a Seattle-based international nonprofit organization that enables communities worldwide to break longstanding cycles of poor health by creating sustainable, culturally-relevant technological and systemic solutions. “By collaborating with diverse public- and private-sector partners, PATH helps provide appropriate health technologies and vital strategies that change the way people think and act.”¹⁸ Collaboration is at the core of PATH’s work. Partnerships with community groups, governmental organizations, companies, and United Nations agencies are a critical and unique element of the organization’s approach.

In 2000, PATH partnered with the Bill & Melinda Gates Foundation and the World Health Organization on the Meningitis Vaccine Project (MVP), which works to develop, test, license, and introduce meningococcal A vaccines for Africa. Meningococcal meningitis is a severe bacterial infection that is often lethal, and is particularly problematic in Sub-Saharan Africa.

The “meningitis belt” of Africa has historically relied on immunization campaigns using a specialized meningococcal polysaccharide vaccine. While this vaccine is affordable, it does not work well, as vaccinated patients can still pass the infection on to others. After consulting with African leaders, the partners agreed that a more effective vaccine was needed, and it had to remain below a \$.50 price point.

MVP brought together three additional partners to help launch the initiative: the Center for Biologics Evaluation and Research at the US Food and Drug Administration (FDA), which provided the technology for the new vaccine; SynCo Bio Partners BV in Amsterdam, which supplied one of the two main components; and the Serum Institute of India Limited (SIIL), which supplied the additional component and agreed to scale up the manufacturing processes for the final vaccine.

The MVP partnership was successful in producing an affordable new vaccine that effectively stops the spread of meningitis and can be given to infants, unlike the old vaccine. Due to its success, this groundbreaking vaccine will set the stage for the ultimate elimination of meningococcal meningitis in sub-Saharan Africa. To date, the vaccine has been introduced in

Working towards Wellness Worldwide: The Washington Global Health Alliance

Home to pioneering research, development expertise, and education and training, Washington State stands at the front lines of global health, advancing the discovery, development and delivery of health solutions to improve the wellbeing of individuals and communities around the world. The Washington Global Health Alliance (WGHA) serves as a hub for such activity, bringing together government, universities, businesses, non-profit organizations, foundations, congregations and research institutes to facilitate collaboration and promote global health understanding through outreach and awareness. The breadth of WGHA’s membership exemplifies a diverse and dynamic public-private partnership at work, with members including PATH, Greater Seattle Chamber of Commerce, University Presbyterian Church, Institute for Systems Biology, Bill & Melinda Gates Foundation, University of Washington Department of Global Health, US Department of Health & Human Services, and the Pacific Northwest National Laboratory, among others. Together, these organizations are involved in more than 480 separate global health projects conducted in 92 countries, including the United States. Just as diseases gain strength from their interaction, so too should our collective response.

¹⁸ PATH, “About PATH,” PATH, <http://www.path.org/about.php>

Mali, The Gambia, Senegal, and India, and the MVP aims to introduce the vaccine in Burkina Faso late this year.

Global Partnerships

Global Partnerships offers a unique institutional model that blends the social impact, mission-driven focus of traditional nonprofits and the economic sustainability of commercial business. Rather than continually granting funds or solely seeking to maximize profit, Global Partnerships' hybrid funding model uses philanthropic capital as equity to leverage socially motivated investment capital from the Inter-American Development Bank, Overseas Private Investment Corporation and other individual and institutional investors, raising a total of \$20 million in 2008. To date, this capital has been loaned to 27 microfinance institutions (MFIs) in eight countries across Latin America who, in turn, loan to microentrepreneurs—typically women living below the poverty line who have traditionally been excluded from the financial system.

Beyond lending capital, Global Partnerships uses microfinance as a distribution platform to expand access to other services, acknowledging that poverty must be addressed from a holistic rather than a stove-piped perspective. For example, when borrowers in Nicaragua come into the local MFI office to receive their loans, they are also offered cervical cancer screening. Global Partnerships stands as a leader in social enterprise investment, demonstrating that development can be both economically sustainable *and* achieve a high social impact.

Policy Recommendations

Feedback from Global Washington members revealed that while there are many exciting partnerships, value additions of the various Washington State actors, and energy and interest to do more, there are challenges in how partnerships are implemented. Many of these challenges are a result of the flaws in the current aid system in the US Government. Addressing these challenges could help the US Government and its private sector partners (broadly defined to include NGOs, foundations, and corporations) to fulfill the potential of partnerships.

1. Transparency and Accountability

Transparency must be improved across the board. At the most general level, many of Global Washington's members were not aware of the plethora of agencies in the US Government promoting public-private partnerships, and as a result, there are probably many potential partnerships that are never identified. Washington State has many organizations focused on specific areas. For example, there is a vibrant health community of a variety of public agencies and private organizations, as exemplified by the Washington State Global Health Alliance (see box). The Global Health Alliance has advanced dynamic and innovative partnerships. Interestingly, however, few survey responders identified the Office of Global Health Partnerships as a collaborator, indicating that federal-state connections are not as well-known, or perhaps tapped, as they could be. Our state universities are performing cutting edge research in areas such as agriculture and could be important partners in the Global Hunger and Food Security Initiative.

There appears to be no central clearinghouse to publicize the various opportunities available to collaborate with the US Government. Currently, groups need to individually seek out

partnership with the multitude of agencies engaged in partnership activities. This is particularly burdensome for small NGOs or groups who do not have staff dedicated to fundraising from the US Government. The end result is that the government is limiting its set of partners and potentially bypassing innovative projects and approaches. As proposed in a Brookings Institute paper¹⁹ on global development partnerships, the State Department's Global Partnerships Initiative could potentially serve as such a clearinghouse. This office could also provide outreach to U.S. regions outside of the Washington DC area, to engage more diverse organizations in partnerships. A USAID or State Department presence in the northwest region could improve the quantity and quality of partnerships from this region.

The US Government also needs a common strategy and shared vision for engaging nonstate actors in development efforts. The Presidential Study Directive (the executive order issued by the President of the United States to initiate policy review of US foreign assistance) could articulate a vision for how the US Government will work with the private sector, non profits and others that could guide all agencies in their own partnerships. A manual of principles and best practices for all government agency partnerships could elaborate further on this vision and elucidate partnership practices and policies.²⁰ There could be a web portal, perhaps managed by the Global Partnerships Initiative, which lists the opportunities and is a “one-stop shop” for organizations wanting to collaborate. A clear US Government vision for partnership impact—with goals, objectives, and priorities—could help groups determine immediately whether opportunities exist. This transparency is a critical first step.

Processes must also be more transparent and straightforward. Several Global Washington members cited the transaction costs involved in working with the US Government. These include a lack of transparency around the time frame for decision-making, changing priorities, and unclear expectations. Partner roles, responsibilities, and contributions should be defined upfront so expectations are clear. The needs and expectations of each partner should also be stated upfront and understood by all – for example, private companies may require a certain profit level in order to participate in the project. Also, government procurement rules may require opening the project up to competitive bidding.

Transparency also includes predictability. Successful development is a long-term endeavor. Will the US Government stay engaged in its partnerships? Will funding be available in future years? While Global Washington understands that annual appropriations make binding commitments impossible, groups still need a better sense of the US Government’s commitment to their project. This could be accomplished through multi-year strategic plans, Memoranda of Understanding, and a better shared dialogue with Congress to ensure it endorses the vision and strategic plan. Global Washington members can serve as resources to USAID, the State Department and other agencies in conveying to Congress the importance of public-private partnership and our participation.

¹⁹ Brookings Institute, “Strengthening America’s Global Development Partnerships: A Policy Blueprint for Better Collaboration Between the U.S. Government, Business and Civil Society,” Brookings, http://www.brookings.edu/articles/2009/~media/Files/rc/articles/2009/05_development_partnerships_unger/05_development_partnerships_unger.pdf

²⁰ See PATH’s Guiding Principles for Private-Sector Collaboration for an example of such a manual from the nonprofit perspective, <http://www.path.org/publications/publications.php>

Accountability is another key part of the equation. As noted in a recent review of USAID's Global Development Alliance (GDA),²¹ successful alliances had clear goals, indicators, and a commitment to evaluation. This built trust, common understanding, and a shared basis with which to implement the program and adjust as needed. Evaluation is not built into every partnership and private development actors could make a valuable contribution in this area.

Global Washington members acknowledge that enhanced capacity will be needed to implement these recommendations (and is a larger issue in foreign aid reform). Clearinghouses, improved communication, and greater evaluation all require additional staffing at USAID and the State Department.

2. Consolidation and Coordination

As noted above, the US Government has a bureaucratic maze of development agencies spread throughout the government, resulting in a confusing array of uncoordinated efforts. This is also true in the area of public-private partnerships, where many cabinet agencies have a partnership office geared to global engagement. As the Presidential Study Directive and Quadrennial Diplomacy and Development Review²² proceed, specific attention should be paid to the issue of public-private partnerships to ensure that the system is streamlined, the right agencies house these programs, and institutional knowledge and expertise on partnerships is concentrated where it can be most effective. Potential partners often do not know where to begin and how each agency's partnership office differs from the others. The byzantine structure may also fragment the available funding, making it more difficult to implement larger, cross-sector partnerships. A "one-stop-shop" for partnerships, as recommended above, would help improve coordination.

Many of our Global Washington members conveyed that US government agencies need to be more responsive and need a better understanding of how businesses and small NGOs work. This can be accomplished in part by building greater capacity and recruiting staff with a wide range of relevant experiences, or potentially through exchanges. Building capacity should be done in a way that avoids further fragmentation of the US foreign aid system.

3. Local Ownership

Local ownership and "buy in" of development projects was among the most frequently cited aspects of success in our member survey. Development, including development through PPPs, is not sustainable without local support. Unfortunately, building adequate ownership is thwarted by aspects of the US aid system. Most federal spending in foreign assistance is earmarked, making the agenda donor-driven, rather than country-owned. The annual appropriations process can result in shifting priorities. Development requires long-term commitment, and it requires an element of flexibility to respond to changing conditions. Tied aid, earmarks, and year by year funding inhibit ownership and needed flexibility.

²¹ USAID, "Evaluating Global Development Alliances: An Analysis of USAID's Public-Private Partnerships for Development," USAID, http://www.usaid.gov/our_work/global_partnerships/gda/resources/Evaluation_Book.pdf

²² A comprehensive assessment tool for organizational reform and improvements to State Department and USAID policy, strategy, and planning processes, modeled after the Quadrennial Defense Review at the Department of Defense U.S. Department of State, "Town Hall Meeting to Announce the Quadrennial Diplomacy and Development Review (QDDR)," U.S. Department of State, <http://www.state.gov/secretary/rm/2009a/july/125949.htm>

Some policy recommendations that would improve this situation include:

- *A long-term vision of development*, as delineated in a global development strategy (the Presidential Study Directive is a good opportunity);
- *More flexible funding*. Innovation funds could facilitate this, as would changing the practice of earmarks

The GDA already considers local buy-in and consultation as a *factor* in determining awards. This must be strengthened. Local consultation could be a requirement of a public-private partnership submission (using the model of the Millennium Challenge Corporation - a US government agency created to reduce poverty through sustainable economic growth) and the degree and breadth of ownership and buy-in could result in higher ratings as awards are considered. USAID missions in the field could assist in publicizing proposed projects and advising participants on how to secure local ownership. NGOs have much to add in this space by providing local context and direct connection to partnership beneficiaries. Some evaluations of the GDA have suggested more centralized funding. This is partly because a centralized function is visible and accessible, easier to collaborate and coordinate with than working in many countries with multiple contacts. However, it is unlikely to foster local ownership. Addressing both issues is important, but proposed solutions must consider unintended negative consequences.

4. Targeting

Public-private partnerships occur in a wide range of countries, leveraging investments by the US Government *and* the American private sector. However, there needs to be further exploration of a greater variety of instruments to properly leverage all the potential players and the potential targets. For example, in the poorest countries, NGOs or nonprofits may be a better partner for the US Government than a corporation that does not see market opportunity. In politically and economically riskier environments, the US Government may need to absorb greater risk or develop more flexible ways of doing business, and adopt different instruments than in an emerging market.

Furthermore, engaging with more diverse non-government partners may help in developing more targeted approaches to individual development problems in specific countries. Currently, most partners are large companies and nonprofit organizations. There are many other organizations that could add value to development projects by partnering with the US government, but there is no mechanism in place to recruit and work with these potential partners. The government could diversify its partners by reaching out to organizations in different niches, such as those representing diaspora communities. It could also develop a mechanism for partnership projects that operate on a smaller scale- perhaps by including US agencies used to working with small business, such as the Overseas Private Investment Corporation or the Export-Import Bank.

Summary of Policy Recommendations:

1. *Transparency and Accountability:*

The U.S. Government must provide information on public-private partnership opportunities transparently, and improve processes and accountability structures (like program evaluation) to ensure effective global development partnerships across the interagency.

2. *Consolidation and Coordination*

The U.S. Government should institutionalize a “one-stop shop” for partnerships geared toward global development – this will vastly improve interagency coordination as well as public engagement and outreach opportunities.

3. *Local Ownership*

To increase local ownership and “buy in” of development projects--and to overcome the inflexibility of tied aid, earmarks, and year by year funding, the U.S. Government should delineate a long-term global development strategy and more flexible funding mechanisms.

4. *Targeting*

The U.S. Government should invest in further exploration of potential partners, potential targets, and implementation mechanisms for public-private partnerships.

TRADE AND DEVELOPMENT

Trade is a powerful source of global development. Under the right conditions, it spurs economic growth that leads to poverty reduction. When U.S. trade policy and foreign aid work together, poverty can be reduced sustainably. Trade can provide new economic opportunities, creating new jobs and possibilities for entrepreneurship. Aid can help people take advantage of those opportunities, and overcome some of the challenges associated with economic growth. Global Washington seeks to promote trade policies and practices that reflect our values, including public health and safety, access to education and living wage jobs, protection of natural resources and a high quality of life.

Washington State – An Established Leader in Trade and Development

Washington State is an established leader in international trade, and it is highly engaged with developing countries through trade, aid, and education. Washington is also a leader in some sectors, such as green technology and engineering, which are critical for international development.

Trade with developing countries is growing in Washington State, as it is elsewhere. The state also has a great many concerned citizens and innovative organizations who work to address the most pressing concerns in developing countries. Many of our largest international companies are also working to fight poverty throughout the world, through corporate philanthropy and by adhering to socially responsible business practices. This combination of trade and development experience gives us a unique perspective on how to make trade work for both Washington State and poor people around the world.

Significance to the State

International trade is extremely important to Washington State's economy. Washington State is also important in U.S. international trade: both as an origin of exports and a point of transit between the rest of the nation and the world.

- Washington is the fourth largest exporting state in the United States, after Texas, California, and New York.²³ This statistic does not account for services trade, which includes software and professional services, two strong sectors in WA.
- An estimated one in three jobs in Washington is directly or indirectly supported by international sales.²⁴
- Exports contribute more to Washington's gross state product than any other state and we are the largest exporter per capita in the United States.²⁵
- Washington has 75 public ports- the Port of Seattle is the 9th largest, and the port of Tacoma is the 12th largest in the United States. 70% of the goods (both imports and exports) moved through the Port of Seattle are in transit to/from points in other states.²⁶

²³ International Trade Administration, U.S. Department of Commerce

²⁴ Washington State Department of Commerce

²⁵ *ibid*

²⁶ Port of Seattle website

The Seattle-Tacoma port region is the third largest shipping hub in North America, after New York/New Jersey and Los Angeles/Long Beach.²⁷

- A total of 8,042 companies exported from Washington locations in 2007. Eighty-nine percent (7,196) of exporting companies in 2007 were small and medium-sized enterprises (SMEs), with fewer than 500 employees.²⁸

Washington State's top three export markets are Canada, China, and Japan, and its top developing country export markets are India, Brazil, and Indonesia. Many other countries are also significant markets for Washington State goods, and Washington ranks highly as the source of goods exports to many developing countries. Unfortunately import data is not available at the state-level.

Aerospace and transportation equipment accounted for about half (\$34 billion) of Washington State's exports in 2008 (\$67 billion), followed by agriculture (\$12 billion), and computers and electrical equipment (\$5 billion).²⁹ In previous years, aerospace and transportation accounted for more than 60% of Washington State exports. According to the Washington Farm Bureau, various agriculture sectors in Washington State are dependent upon international trade, with more than 85 percent of its wheat, 60 percent of hops, and 30 percent of apples sold abroad. Approximately 90 percent of Washington's soft white wheat crop is exported to the Pacific Rim, the Indian subcontinent and the Middle East where it is used in traditional breads.³⁰

Washington State is known abroad for its services exports. There is no reliable state-wide data on services exports, but services account for about 30% of total U.S. exports, and it is likely that Washington State exports follow a similar pattern.

Washington State Businesses: Engaged in Trade and Aid

Washington State's largest companies, such as Boeing and Microsoft, are known around the world for their goods and services exports. Many large Washington-based companies are also major importers of goods from around the world, such as Starbucks and Nordstrom. These large companies account for much of Washington State's international trade and corporate philanthropy, but there are also many small and medium enterprises in Washington State which rely on international trade, either for export markets or importing intermediate goods and consumer products for retail. According to the U.S. Department of Commerce, 89% of exporting companies in Washington State have fewer than 500 employees. The following summaries provide examples of companies in Washington State that are engaged in trade and aid.

Boeing is one of the largest exporters of U.S. goods, with forty percent of its total revenue coming from export sales.³¹ Many developing countries have received assistance from the U.S. Export Import Bank to purchase Boeing airplanes, including Indonesia, Vietnam, Kenya, India, Pakistan, and Senegal. Boeing is also engaged in corporate philanthropy. In 2008, Boeing spent

²⁷ Trade Development Alliance of Greater Seattle

²⁸ International Trade Administration, U.S. Department of Commerce

²⁹ WISERTrade, by the World Trade Center Tacoma: State Exports by HS Database

³⁰ Trade Development Alliance of Greater Seattle

³¹ <http://www.boeing.com/news/frontiers/archive/2009/march/mainfeature.pdf>

\$7.6 million on corporate philanthropy outside the United States, and about \$5 million of that amount was spent in developing country regions. One example of Boeing's international corporate philanthropy is its financial support for Hagar International to expand its activities into Laos and Vietnam. Hagar International helps women and children who have suffered from violence and human trafficking, by providing them with comprehensive services to help them reintegrate into their communities. Boeing also funds science education in China through the Dream Blue Sky Aerospace Education Project, and conservation in India through the Conservation Action Trust.

Starbucks' commitment to global development extends beyond buying coffee beans and selling coffee drinks. Working with Conservation international, it has developed and taught farming practices at its Farmer Support Centers that protect water, land, and animals, manage waste, and conserve energy. Starbucks also supports coffee community projects, contributing \$1.6 million in 2008 to fund schools, health clinics, and infrastructure projects. Loans to farmers, contributions to the African Wildlife Foundation, and other philanthropic support round out Starbucks' expanding role in global development.

The Initiative for Global Development is a coalition of U.S. business leaders that supports effective solutions to global poverty, and fosters private sector engagement to expand economic development in poor countries. It was founded in Seattle by a group of local business and philanthropy leaders. IGD's national network includes business leaders from major cities all over the nation, with a large representation from Seattle. IGD has a new program area called Programs for Enterprise Growth, which works to meet demand for knowledge sharing and capacity building in the private sector in developing countries. Trade and aid policy is an important issue area for IGD. Their members are strong advocates for opening the global marketplace to poor countries and poor people.

Fair Trade

Fair trade is a system of exchange that seeks to create greater equity and partnership in international trading system by: creating opportunities for economically and socially marginalized producers; developing transparent and accountable relationships; building capacity; paying promptly and fairly; supporting safe and empowering working conditions; ensuring the rights of children; cultivating environmental stewardship; and respecting cultural identity.³²

Washington has a vibrant fair trade community, including retailers of clothing, handicrafts and food products, as well as producers of goods from chocolate to sports equipment.³³ Washington is also known for its organizations that support fair trade coffee, including groups like Bainbridge Omoetepe, Tony's Coffee, Café Ladro, and Grounds for Change.

Theo Chocolate is one example of a fair trade company in Washington. It produces premium organic and fair trade specialty chocolate in its Seattle factory, and is the first and only organic fair trade chocolate factory in the United States. Theo only imports ingredients that meet its social and environmental standards, including using pure ingredients grown sustainably, ensuring that growers earn a living wage, and using green energy sources for power.

³² From the Fair Trade Federation website, <http://www.fairtradefederation.org/>

³³ 21 Washington-based companies are listed as members of the Fair Trade Federation, <http://www.fairtradefederation.org/>

Recommendations for Reform

1. Provide Duty-Free Quota-Free Access to the U.S. Market for the Least Developed Countries and Other Vulnerable Countries

Trade and aid is a major area of policy incoherence, because U.S. import policies contradict development goals. Even though the United States is one of the most open markets in the world, the world's poorest countries face the highest tariffs on their exports to the United States. An extreme example of this can be seen in the case of Bangladesh, where the United States collects \$3 in import duties for every \$1 it provides in aid to this least developed country (LDC). In another example, the United States has just committed \$7.5 billion in aid to Pakistan, a vital security partner, to help them create civilian jobs and growth, but continues to impose a \$360 million annual penalty on exports that impede job growth. Few Americans still make these products (clothes, shoes, linens), so the tariffs are no longer in our national interest.³⁴ For many poor countries, high tariffs keep them from exporting to the United States at all.

The United States attempts to remedy this problem through trade preference programs: the Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Caribbean Basin Economic Recovery Act (CBERA) and the Andean Trade Preference Act (ATPA). These programs have had some positive impacts on some countries, but overall they have fallen short as a tool to promote economic growth and reduce poverty. These programs have a number of limitations. First, these programs only reduce or eliminate tariffs- with few limited exceptions; they do not provide any trade capacity building or export promotion assistance. Second, they each statutorily exclude products produced by developing countries: sugar, watches, certain glass products, footwear, some handicrafts, leather products, and some electronics. Most of these programs also exclude textile and apparel and agriculture products, or they face restrictive rules of origin despite being eligible for duty-free treatment. Most of these products are no longer produced by the United States. Third, these programs lack predictability: they are only short-term measures and need to be renewed by Congress periodically. Sometimes they are allowed to lapse. As a result, there is a lack of certainty, which is a disincentive for investment and for importing firms to develop a trade relationship with developing country suppliers. Fourth, these programs fail to couple tariff reduction and preferences with meaningful policies that support domestic content, capacity building, or development. This failure has led to situations where speculative investors exploit the preferences for a period of time, without contributing to lasting improvement in the standard of living for developing country workers, or reliable enterprise development for developing country entrepreneurs.

Providing duty-free quota-free access to the poorest developing countries would solve many of the problems found in U.S. trade preference programs. It would add predictability and create better incentives for investment. This policy aligns with the Global Washington principles as outlined in our white paper on foreign aid reform, in that it would increase transparency, policy coherence, and targeting. It would make trade policy more transparent, because it would replace the labyrinthine set of rules from the trade preference programs with a simple policy of openness.

³⁴ Gresser, July 2009

It would improve policy coherence between aid and trade, and it would help target assistance (in the form of market access) toward the neediest countries.

Therefore, Global Washington recommends that the United States should provide duty-free quota-free access for 100% of goods from the least developed countries, but with the added proviso that any such preference program should also explicitly encourage in-country policies that cultivate and support domestic industry. Also, any new market access should be coupled with trade capacity building assistance specifically designed to help the beneficiary countries export to the United States. The three trade hubs in Africa that were implemented under AGOA are examples of this assistance, and should be expanded.³⁵ In this manner, the preference program would focus more on building locally-based enterprise and/or enterprise with significant domestic content, rather than simply providing speculative capital with a wind-fall profit. This will also require trade preference reform that expands product coverage, simplifies rules of origin and reduces uncertainty for investors by making programs long-term if not permanent. This access should also be provided to other vulnerable countries that are only marginally better off than the LDCs. The United States should take this action unilaterally, but encourage the European Union and other OECD members to do the same.

2. Improve the Coherence, Coordination, and Local Ownership of Trade Capacity Building

Trade capacity building (TCB), also known as aid for trade, is a form of development assistance meant to help developing countries participate in and benefit from global trade. In addition to helping developing countries negotiate and implement trade agreements, TCB includes development assistance for agricultural development, customs administration, business training, physical infrastructure development, financial sector development, and labor and environmental standards.

The United States spends significant resources on TCB assistance. In FY 2007, it obligated about \$1.4 billion in TCB worldwide, to be implemented by USAID, the MCC, and various other U.S. government agencies.

One of the major shortcomings of TCB assistance as it is currently managed is that there is uneven local ownership and coordination among U.S. agencies. In countries where there is an MCC compact or a negotiated free trade agreement with the United States, there tends to be more local ownership and coordination. The MCC process helps countries identify and prioritize their aid needs, and most of the MCC compacts include TCB. USTR coordinates TCB assistance for countries that have negotiated an FTA with the United States. Also, each of these countries has produced a national trade strategy, with USTR assistance, outlining their needs and priorities for TCB assistance. Other countries have not received this level of coordination and attention to their self-determined needs and priorities.

Another problem is that trade is considered as a discrete sector, separate from other types of development assistance. This problem exists in other development assistance sectors, but it may

³⁵ See the three trade hub websites for more information: <http://www.watradehub.com/>, <http://www.satradehub.org/>, <http://www.competeafrika.org/components/tradehub.htm>.

have the greatest consequences in trade. Trade does not exist in a vacuum: trade policies have an impact on outcomes in other development sectors; sometimes a positive outcome in trade causes a negative outcome in another area. An example is the tradeoff between increased production and environmental degradation. The opposite is also true: sometimes assistance in another sector can have negative consequences for trade.

However, it must be remembered that trade alone will not address development needs, but should be coupled with adequate policies for domestic capacity building and protection of core societal rights. Some of the critical capacity issues related to development are in the following areas: legal system development, environmental policy and management, labor standards, and consumer protections. Attention to this broader concept of capacity building is critical to ensure creation of both a “level playing field” for international trade as well as sustainable development.

Global Washington’s recommendation to address the problems described above is to implement a process for all developing countries to document their TCB needs and priorities. This process should involve a wide range of stakeholders in the developing countries, including not just trade officials, but representatives from environmental, health, social service, community and labor sectors. It should look at trade in the context of other development issues, and prioritize needs for assistance based on what makes sense for the country as a whole, not just the trade sector. The U.S. government should provide support for this process, and then base TCB assistance on the outcome. This could be done through the Presidential Study Directive. A system of monitoring and evaluation for TCB should also be devised in tandem with this process, which should be coordinated by a high-ranking office in the administration.

In addition to its bilateral TCB efforts, the United States should lead a multilateral scaling up of TCB assistance. This could involve a new fund managed by the WTO, or expansion of an existing fund such as the Enhanced Integrated Framework, which is a multilateral, multi-agency program to diagnose and address trade needs in LDCs.³⁶

We also see an opportunity for Washington State to capitalize on its role as an important U.S. exporter of goods and services. Members of our business community could help their counterparts in developing countries to export more successfully, both to regional markets and to the United States. We could accomplish this through a trade mentoring program, where our exporters provide assistance through a close and ongoing relationship with businesses around the world.

3. Renew the US commitment to the original development goals of the Doha Development Round of WTO negotiations.

This recommendation flows naturally from Global Washington’s advocacy of increased international dialogue in multilateral forums and from our extensive experience with trade and development. There are hundreds of billions of dollars by which developing economies would benefit from achieving the Doha objectives. It will come as no surprise to our Congressional Delegation that there are voices within our constituency that do not view the WTO as a suitable forum for achieving these objectives. While the Doha Round's progress of late has been slow

³⁶ See <http://www.integratedframework.org> for more information.

and plagued with stalemates, it remains the only multilateral negotiating framework within which the vast majority of the world's trading partners can discuss and challenge each other's foreign trade policies. Most Global Washington members believe this is a valuable achievement that should be preserved, even while efforts at reform of the organization continue. In the same spirit of ongoing dialogue, we will endeavor to continue our exchange of views with organizations that disagree.

GLOBAL EDUCATION

Background: Global Cultural Competence

The key social challenges of the 21st century are all global in nature—including financial crises that spread rapidly from country to country, international terrorism, threats to global health, and planetary environmental problems such as global warming. If the next generation of United States citizens is to tackle such challenges successfully, our educational system, from primary schools to postsecondary training, must become oriented toward global issues as well.

Global Washington believes that the core goal of a truly global approach to U.S. educational policy is the inculcation of global cultural competence—that is, the ability to navigate the diverse ways of life in different parts of the world so as to neutralize global threats and to achieve durable cross-cultural cooperation.

To support global cultural competence in educational policy, we believe, requires fidelity to the same four guiding principles that we see as crucial in reforming US foreign aid policy: transparency and accountability; coordination; local ownership; and targeting.

- **Transparency and accountability** are necessary to ensure that scarce educational dollars are used in ways that maximize their concrete, measurable impact, as well as to guarantee that such support is allocated according to clear and public procedures.
- **Coordination** among diverse federal funders in the global educational field—including not only the Department of Education, but also the Department of Defense, Directorate of National Intelligence, and Department of State—should ensure that these agencies are working hand-in-hand with state and local education officials in order to achieve common ends.
- **Local ownership** is essential to appropriate and sustainable educational reform. Partnerships of trust and reciprocity with foreign educational institutions and NGOs avoid “top down” approaches and ensure the active participation of local communities in the design, implementation and evaluation of locally-relevant educational programming.
- **Targeting** of funding for global educational outreach can build an integrated international educational network, in which ladders of educational opportunity are accessible in principle to even the poorest global communities.

Examples of Success

The State of Washington stands in the forefront of such developments. In 2005, the State Legislature launched *Washington Learns*, an 18-month effort to define the requirements for a "world-class, learner-focused, seamless education system in Washington." The Steering Committee was co-chaired by Governor Gregoire and included three advisory committees in early learning, K-12, and higher education. The final report, delivered in December 2006, recognized that the education system "must prepare world citizens who respect cultural differences, who understand political differences, and who can make informed choices among

different policies. Our democracy must be free and strong, and our citizens must be informed and engaged, if we are to set an example for the rest of the world."

Two of the ten-year goals for the state's educational system that relate to global learning were as follows:

- All students will graduate from high school with an international perspective and the skills to live, learn and work in a diverse state and a global society.
- Academic research will fuel discoveries and innovations that allow Washington businesses to compete globally.

The *Washington Learns* recommendations articulated and reinforced a longstanding state priority. As is clear from the examples of global educational initiatives cited below, Washington's state and local government organizations, corporations, primary and secondary schools, community colleges, and institutions of higher learning are remarkably united in the high value they place on global cultural competence. Their amazing achievements in global education to date provide excellent examples of transparency and accountability. They demonstrate creative ways to coordinate educational efforts both at home and abroad. They show the importance of forging genuine partnerships with international colleagues. And they highlight innovative methods to target educational funding so as to build an ever-more integrated global educational system.

Washington State Coalition for International Education

The Washington State Coalition for International Education was formed in spring 2003, as an affiliation of individuals and organizations committed to preparing *all* students for today's interconnected world by promoting cross-cultural skills and competence. The Coalition's goals include:

- The integration of international perspectives into P-20 (preschool through graduate school) curricula.
- The expansion of world language education, with an emphasis on early childhood education and improving second language proficiency outcomes.
- The encouragement of all forms of international exchanges.

Between 2003 and 2008, the Coalition received six State Innovations grants from the Asia Society and Longview Foundation to carry out projects to expand international education in the state of Washington. With this funding, the Coalition organized three state-level summits on International Education; spearheaded the 2004 World Languages Survey; launched the "Expanding Chinese Language Capacity Initiative"; and funded numerous workshops and presentations for K-12 and post-secondary teachers on internationalizing curriculum, developing global connections through technology, and enhancing world languages instruction. The Coalition's website (<http://internationaledwa.org>) and extensive email lists have been a valued resource to global education advocates both within the state and around the world.

International Schools in Seattle

In fall 2000, Seattle Public Schools launched the John Stanford International School, with a partial immersion program in Spanish (Japanese was added in 2001) and a commitment to infuse global perspectives across the curriculum while developing and fostering cultural competence in students and school teachers and staff alike. John Stanford has become an internationally recognized model, earning numerous awards, including the Goldman-Sachs Award for Excellence in International Education.

The district has now expanded to five schools following the international schools model, including two additional elementary schools and two middle schools, with several more in the planning stages. With the federal Foreign Language Assistance Program (FLAP) grant it received in 2006, Seattle was able to launch Chinese language programs in three elementary schools, which now serve over 700 students. In 2009, Seattle welcomed five visiting teachers from China through the College Board/Hanban (Chinese education office) program to expand Chinese language to two high schools, two middle schools, and three elementary schools.

The development of the International Schools model in Seattle and implementation of language immersion programs would not have been possible without federal funding (U.S. Department of Education Magnet Grant 1998-2001 and Foreign Language Assistance Program grant 2006-2009), as well as the partnership with the University of Washington and other higher education institutions, and the support of the business community, in particular, Starbucks International.

Mapping and Enhancing Language Learning (MELL)

Four National Resource Centers at the University of Washington's Jackson School of International Studies received funding in 2006 from the U.S. Department of Education to launch a four-year project entitled "Mapping and Enhancing Language Learning" (MELL) in Washington state. The online survey, produced through a collaborative effort of the UW Jackson School of International Studies, UW Language Learning Center, Office of Superintendent of Public Instruction, Washington State Coalition for International Education, and Washington Association For Language Teaching (WAFLT), represents a first step to help us get a better picture of what languages students are currently learning in our K-12 schools and community language programs.

Since 2006, the MELL project has collected and reported on data from Washington high schools, middle schools, and elementary schools; published over a half-dozen MELL Policy Briefs exploring issues uncovered by the data in greater depth; sponsored the World Languages Summit at the University of Washington in November 2008; and sponsored professional development opportunities for K-12 and post-secondary language teachers, such as the Avant Assessment Rater Training in April, 2009.

This collaboration has provided critical data for both K-12 schools and institutions of higher education in our state to plan for the future needs of preparing global citizens. The federal funding for this project has had a huge impact on the future of world languages in the state by focusing efforts on critical issues such as teacher certification, high school to college articulation in language programs, and early language learning.

Office of Superintendent of Public Instruction (OSPI)

The Office of Superintendent of Public Instruction leads, supports, and oversees K-12 education in the state of Washington. The Social Studies, World Languages, International Education, and Education for Environment and Sustainability programs all provide leadership, service, and support for the development and implementation of research-based learning standards and curriculum to ensure that all learners achieve at high levels in these areas. The program supervisors develop web-based resources on standards, curriculum, and assessments, and provide professional development for teachers at a variety of state conferences and workshops.

The International Education program supports a variety of teacher exchange programs and provides access to information on student exchange. Through OSPI, Washington State has been a charter member of the Partnership for Global Learning, established in 2008 by the Asia Society as a membership network that connects state and district decision makers, school leaders, teachers, university faculty, and other stakeholders to support efforts to expand international studies curriculum at all levels.

OSPI has signed on to a new assessment initiative by the Council of Chief State School Officers, funded by the Gates Foundation. The initiative, known as EdSteps, is developing a new approach to assessing 21st century skills through examination of student work in a variety of areas, including Global Competency and Writing. Washington has three representatives on the CCSSO Work Groups. This effort could have a significant impact on increasing student achievement by focusing on the qualities of student work rather than on test scores alone. As the Congress looks to reauthorize the ESEA, it will be important to move beyond the limitations of NCLB (No Child Left Behind) to provide students opportunities to develop educational abilities that are genuinely world-class.

Cascadia Community College

In 2007 (just seven years after its inception), Cascadia Community College was ranked No. 2 on the list of “America’s Best Community Colleges” published by D.C.’s *Washington Monthly*. The magazine heralded Cascadia as a benchmark for the next generation of community colleges. The principles and practices of global cultural competence have been woven into Cascadia’s mission, curriculum and pedagogy from the very beginning.

Cascadia describes itself as an institution designed “to promote a caring culture that supports creative, comprehensive, culturally rich, technologically advanced, and learner-centered education which is environmentally sensitive, promotes global awareness, and is seamlessly linked to the community, area enterprise, and other educational institutions” and stresses that its students “know that they’re global citizens in a larger world.” Cascadia boasts a large number of international students and offers study abroad programs and lecture series on global topics, and a curriculum-wide emphasis on global perspectives is evident. In fact, the college’s distribution requirements include the categories “Cultural Knowledge” and “Global Studies.”

One Cascadia program stands as a particularly powerful example: the associate degree in Integrated Studies with Global Endorsement emphasizes readiness for “the global transformations in society, culture, politics, the economy, and other aspects of life and work.” The program requirements include competency in a different language, engaging and negotiating

multiple perspectives, analyzing intercultural issues and emphasize “developing increased global awareness and a better appreciation of humanity’s shared destiny and dignity.”

Pacific Lutheran University

PLU has an historic commitment to fostering global cultural competence, a commitment that manifests itself throughout its classroom teaching, scholarly research and service learning and community outreach programs. PLU regularly places among the top ten Master’s degree universities in the United States for percentage of students engaged in international study. Over forty percent of PLU graduates have studied away; 80 PLU graduates have received Fulbright scholarships for post-graduate study and research abroad since 1975; and 20 have received Rotary Ambassadorial Scholarships. More than \$5.5 million in grant funding has come to the university to support excellence in global education. The University’s Wang Center for Global Education is a vibrant demonstration of the importance the institution places on global perspectives.

Naturally, in an institution rooted in global cultural competence, selecting one representative program is nearly impossible. However, PLU points with particular pride to a collaborative project in Namibia funded by USAID and ALO. Faculty from PLU, Hedmark College University in Norway and the University of Namibia conducted five week-long trainings for 75 teachers in the Ondao Primary Mobile School in Opuwo, Namibia, a school serving the semi-nomadic Ovahimba and Ovathimba peoples. Faculty from all three universities co-taught content and pedagogy in science, math and literacy/English. A faculty member from the University of Namibia taught pedagogy in the local language, Otjiherero.

Two years after the initial training, community members—especially the headmen—were very supportive of the Ondao School and wanted the government to start secondary schools. Six years after the initial training, 74 of the 75 teachers involved in the training project had received their Basic Education for Teacher Development Certificates (similar to a teaching certificate in the U.S.). As a result, the principal of the Ondao School and the project director were invited to Washington, D.C. to present the best attributes and challenges of the project to directors of other USAID/ALO projects.

Seattle University

Seattle University has an exemplary record of successful global engagement, with a plethora of powerful examples to choose as illustrations. Seattle University’s success in creating culturally competent leaders is exemplified by the *Faculty Research and Student Education Abroad* and the *Global Solidarity Network Study eBroad* programs. Integral to both is the notion that a continuum of engagement—ranging from in-country (“abroad”) to virtual (“eBroad”) and including a blending of opportunities in between—is essential. Likewise, programs are built upon collaborative local partnerships and modern information and communications technologies.

The annual study abroad census Open Doors (Institute for International Education, NY) ranks Seattle University in the National Top 40 Institutions in the Masters category. Seattle University’s distinctions include being 14th in the nation in total number of students abroad, up from 23rd the previous year; attaining 13th in the nation for total number of participants on short-term programs, up from 19th the previous year; and achieving an undergraduate

participation rate of 31%. Whereas students of color make up less than 20% of participants nation-wide, Seattle University prides itself on a 30% participation rate. SU's commitment to geographic diversity is reflected by the fact that 57% of participants study in countries outside of Europe compared to 43% nationwide.

Seattle University's approach to global engagement has earned it recognition as a serious thought and practice leader in global reform. While the mission of the institution calls for its faculty and students to work in solidarity to create culturally competent leaders for a just and humane world, the University's programmatic work has resulted in intended and unintended consequences that provide benefits beyond the individual to the global and social levels. Seattle University believes its unique approach to global engagement is not only a progressive idea but a critical approach to solving complex policy problems and rebuilding the image of the United States in the world.

The University of Washington

The UW has long been among the leaders in internationalization among premier public research universities, and that tradition remains alive and vibrant today. 2009 marks the centennial of several UW departments whose faculty are leaders in global studies—the Henry M. Jackson School of International Studies, the Department of Asian Languages and Literatures, the Department of Near Eastern Literatures and Civilizations, and the Department of Scandinavian Studies. The UW is a pioneer among institutions in the United States in the fields of global health, global information technology, and environmental studies. It is tied for first place among all national institutions of higher learning in the number of federally-funded centers for area studies sponsored by the U.S. Department of Education. It has led the nation in the number of alumni volunteering for the Peace Corps for three years running. And it is in the top ten U.S. institutions regarding the number of students it sends on study abroad programs each year, with about 25% of UW undergrads participating in study abroad prior to graduation.

In order to provide coordination among the diverse international activities taking place across the UW, the UW has recently established the Office of Global Affairs in the Provost's Office. OGA serves as a clearinghouse for information about global research and education at the UW; as a portal for external stakeholders interested in learning more about the UW's global engagement; and as a guide to success in study abroad activities and international research collaboration. OGA supervises the International Programs and Exchanges Office; works with the UW's Global Support group to provide administrative support for international research activities; oversees the UW's Rome Center and Beijing Representative Office; and supports the UW's diplomatic relations with high-level foreign partners. OGA has also undertaken several high-profile strategic initiatives—for example:

- hosting the Seattle delegation led by U.N. Secretary General Ban Ki-Moon, to whom the UW awarded an honorary degree;
- working with the Hanban of the People's Republic of China, as well as the Governor's Office, OSPI, and the Seattle Public Schools to establish the Confucius Institute of the State of Washington, which will provide Mandarin language instruction to Washington state citizens from kindergarten through college;
- supporting the Worldwide Universities Network, a consortium of 15 leading research universities around the globe which is chaired by UW President Mark Emmert.

The UW collaborates with international development organizations to open doors to UW faculty, staff, and students interested in diverse world cultures. One stellar example is found in the UW's "Society, Equality and Change" study abroad program, implemented in partnership with The Universidade Federal do Recôncavo da Bahia (UFRB) and Bahia Street, a Seattle-based INGO whose programs target educational achievement for girls in Salvador, Brazil. Through classroom study, field applications and original research, students examine, in context, international development efforts and effective ways to work for social change across and within cultures. The principle of genuine partnership with colleagues and citizens abroad also infuses the UW's new Department of Global Health, founded in 2007 with generous support from the Gates Foundation. For example, the Department's International Training and Education Center for Health (I-TECH) has 10 offices throughout Africa, Asia, and the Caribbean. I-TECH's 600 worldwide staff work in partnership with local ministries of health, universities, non-governmental organizations (NGOs), medical facilities, and other organizations to support the development of a skilled health work force and well-organized national health delivery systems.

Washington State Community Colleges Consortium

The Northwest Colleges Egypt Initiative is a consortium of Community Colleges of Spokane, Edmonds Community College, and Whatcom Community College, formed in 2008 and administered by Edmonds Community College. The initiative is funded by a \$1.4 million grant from the U.S. Department of State—one of three awards given in 2008 to community colleges across the nation to support educational and cultural exchange.

Egyptian students who participate in the program will complete one-year professional development certificates in a college program such as: agriculture, applied engineering, business management and administration, allied health, information technology, or hospitality and tourism management. They will also complete internships that introduce them to local Americans and businesses involved in their fields of study. Edmonds Community College's Vice President of International Education, David Cordell, states that "The program will offer educational opportunities, professional development, and exposure to American society to Egyptian students who lack access to the kind of training and education a community college provides. This grant gives less privileged members of Egyptian society access to higher education and preparation for future leadership, while providing an opportunity to see how American democracy and society function. It will also help our local community to learn about Egypt and the needs and aspirations of its people."

Washington State University

WSU is connected to the developing world through an impressive breadth and depth of programs—programs that send students and faculty abroad and those that bring students from the developing world to WSU. Opportunities in the field reinforce the work in the classroom, make studies come alive, and instill global cultural competence through firsthand experiences and local collaborations. WSU's programs, conducted in partnership with institutions in Africa, Asia and Latin America, allow scholars and students from diverse fields to learn from international colleagues and to shape their own thinking with practical experiences that incorporate local cultural, social, environmental, and economic factors.

WSU takes particular pride in service learning opportunities available for its students. For example, faculty in the College of Engineering and Architecture have advised the WSU chapter of “Engineers without Borders” on projects in Sri Lanka, Sudan, Colombia and Chile. In Kenya, a team of WSU students, faculty and local professionals works with the Kenyan non-profit Muthaa Community Development Foundation and with the U.S. nonprofit Student Movement for Real Change (SMRC). This collaboration will improve the quality of life in Kayafungo and the surrounding area by designing a 17-mile pipeline providing an ongoing source of fresh, clean water to 35,000 people. “Health Care in Peru,” administered by the WSU College of Nursing, offers academic and practical experience in the provision of health care to individuals and communities in the Amazon region of Peru. The emphasis on global cultural competence is strong: students analyses and designs must integrate the prevailing cultural, social, environmental, and economic factors that influence health care in the developing world.

In 2009, the College of Business established the “WSU China Center” at the Southwest University of Finance and Investment in Chengdu, China. This initiative provides study abroad opportunities for WSU students and longer-term residential study opportunities. This year, the WSU College of Agriculture and Human and Natural Resources and the University of Agriculture in Faisalabad (UAF) have entered into a 10-year agreement that will encourage Pakistani graduate students to study at WSU and foster joint teaching and collaborative research between the two universities. The “Last Mile” project, initiated in 2006 by the Center for Bridging the Digital Divide, established an electronic infrastructure for local coffee grower co-operatives in Rwanda to more effectively market their production. WSU students established internet connectivity that evolved into the creation of an “internet café” providing internet access to the entire village.

iLEAP: The Center for Critical Service

Seattle-based iLEAP exists “to cultivate and inspire a new generation of global citizens who are motivated by a commitment to service and who have the practical skills, rigorous critical thinking, and global community of support to create positive social and systemic change in the world.” Not only do iLEAP programs explicitly focus on education for cultural competence, they intentionally integrate the NGO, academic and business sectors and are developed through partnerships with colleges and universities, civil society groups, and for-profit businesses in Africa, Asia Pacific, Europe, Latin America and the U.S.

iLEAP’s international fellowships bring leaders from civil society organizations to Seattle to study social enterprise, reflective practice, collaborative leadership, and social and environmental sustainability. “Taking the LEAP” sends students to rural communities outside the U.S. to study project design, development and implementation with international faculty partners. “Social Innovation in Seattle” provides internships in U.S. organizations and businesses and introduces students to the fundamentals of social enterprise and social innovation in business practice.

Microsoft’s Partners in Learning Initiative

One of the world’s largest technology corporations, Microsoft defines Partners in Learning as a flagship social enterprise program. Launched in 2003, Partners in Learning is a 10-year, nearly \$500M commitment by Microsoft to help promote the appropriate use of technology in schools. The program develops partnerships with governments, educational leaders and teachers at the

national, state and local levels. The portfolio of curricula, tools and resources assist educators worldwide in their efforts to advance 21st century teaching, learning and digital inclusion. As the previous examples have highlighted, education that promotes global citizenship requires teachers and schools who promote it, and the appropriate use of technology as a key tool in their pedagogies and curricula. Over 100 Microsoft staff—many of whom are former educators and academics—work closely with governments, school leaders and teachers in 112 countries to provide professional development, build communities of like-minded innovators, and deliver access to technology. The Partners in Learning initiative:

- helps schools gain better access to technology;
- offers promising content and practices for local contextualization;
- fosters communities of practice and peer-to-peer sharing of innovative approaches through the Partners in Learning Network;
- actively supports teacher professional development;
- responds to educational leaders' needs by providing tools that allow them to envision, implement, and manage local educational transformation.

By 2013, Partners in Learning is expected to have reached 250 million teachers and students, inspired 10 million teachers to actively participate in the global Partners in Learning Network, and involved thousands of forward-thinking schools worldwide.

Boeing

In 2008, Boeing's Chairman, President and CEO, Jim McNerney, noted that "in addition to fueling commerce and providing meaningful employment, companies like ours play a significant role as global citizens." Boeing invests generously in programs that increase public understanding of and engagement in the processes and issues that affect communities around the world. The company's philanthropy embraces a singular richness of programming that includes but is not limited to education, globalization, community building, cultural, ethnic and religious diversity and environmental sustainability.

The strength of Boeing's global cultural commitment, however, is reflected by more than the impressive size of its worldwide philanthropic portfolio. Its supported programs are quite intentionally characterized by goals, implementations and outcomes that align strongly with the principles of transparency and accountability, collaboration, local ownership and targeting. Regardless of the specific project focus, the work is designed and carried out collaboratively, often in partnership with NGOs and academic institutions, and always with the active leadership of local stakeholders. And all projects are infused with an educational spirit; the local and global impacts of the work are highlighted in a way that engages the entire community in ownership of a project's outcomes and, notably, in sustaining its successes.

A particularly compelling example of the four principles as applied to the theme of global cultural competence is found in Boeing's ongoing support of the Global Classroom programs of Seattle-based World Affairs Council. Global Classroom is an innovative blended curriculum, offering teachers and middle- and high school students an impressive variety of resources and participatory experiences in international and public policy issues. Through WAC's global youth summits, global youth leadership institutes and global youth exchange programs, students

have the opportunity to collaborate with global leaders and participate in simulations of legislative and diplomatic processes focused on foreign aid and global involvement. Teachers can access a repository of modules and a deep array of other resources that enhance their ability to infuse global perspectives into their curricula in an up-to-date and highly-engaging way. Both students and teachers establish meaningful contacts with other educators and learners worldwide. In the words of a Boeing global corporate citizenship leader, the Global Classroom program “helps increase public understanding of and engagement in the processes that affect our communities. The Council’s programs engage young people to become lifelong civic and global participants, a civic cause that we at Boeing wholeheartedly support.”

Policy Challenges

As the examples above demonstrate, the combined experience of Washington state’s corporate, nonprofit, government and education sectors in collaborative educational initiatives to generate global cultural competence is remarkably rich. Global perspectives in Washington’s educational system are developed in a mutually-enhancing interaction between educators and citizens: Washington State educators prioritize global cultural competence because Washington’s citizens are so globally aware. And Washington’s citizens are globally aware because educators have prioritized global cultural competence.

This success, however, has at times been hindered by the absence of effective and coordinated support from Washington, D.C. for efforts to internationalize U.S. educational policy. Global Washington’s members therefore agree that our combined impact on the region, the nation, and the world could be even greater with needed changes in federal policy toward global education. In particular, we suggest the following steps, each of which exemplifies one or more of the four guiding principles:

Great *transparency and accountability* through:

- explicit efforts to highlight global education as a core priority for US foreign aid policy; and
- improved metrics for measuring success in global education, so as to increase demonstrable impact, while avoiding a focus only on short-term outcomes rather than the long-term results that emerge in truly collaborative international partnerships.

Improved *coordination*:

- among the U.S. Departments of Education, State, Defense, and Homeland Security in designing and implementing programs to support global cultural understanding; and
- between the National Security Education Program (NSEP) and other federal programs designed to increase teaching and learning of critical less-commonly taught languages in U.S. schools and postsecondary institutions.

Enhanced *local ownership* through:

- increased funding for institutional capacity-building efforts that encourage greater levels of global cultural competence by relevant administrators, faculty, and staff engaged in international education; and

- increased resources for initiating and managing cutting-edge global programs that are based on genuine partnerships with foreign universities, schools, governments, and NGOs.

Finally, support for building a truly integrated system of global education can be *targeted* more effectively through:

- final passage and timely implementation of the Simon Act, which calls for a dramatic expansion in the number of U.S. students in higher education studying abroad—along with sufficient new sources of funding to ensure that this goal can be met in practice;
- continued efforts to ensure flexible visa access, enabling students from abroad to study in the U.S. rather than other countries which are now recruiting promising foreign students away from U.S. institutions; and
- reduced complexity of export control regulations so as to encourage research collaborations between foreign faculty and students advancing critical scholarship in key scientific areas.