

NEW DEVELOPMENT PLAYERS AND MODELS

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Over the past two decades we have witnessed a dramatic growth in the number, diversity, reach and influence of civil society organizations, new forms of social enterprise, microfinance institutions, corporate responsibility initiatives, public-private partnerships, and virtual networks. These range from multi-million dollar transnational coalitions, to millions of low budget community-based initiatives, and individual citizen action. They are supported by unprecedented communications capacity via the Internet and global media, other enabling technologies, more open and democratic societies in many countries, and high levels of private wealth creation and entrepreneurship.

Dr. Lester Salamon, Director of the Center for Civil Society Studies at Johns Hopkins University has argued, "We seem to be in the midst of a 'global associational revolution' - a massive upsurge of organised voluntary private activity, of structured citizen action outside the boundaries of the market and the state, that I am convinced will prove to be as momentous a feature of the late 20th Century as the rise of the nation-state was of the late 19th Century."¹

Consider the following examples:

*AfriMAP • Publish What You Pay • Extractive Industries Transparency Initiative • Revenue Watch
Open Budget Initiative • Celtel Foundation • Millennium Challenge Compacts • Fair Labor
Association
UN Global Compact • Helsinki Process • Global Reporting Initiative • Global Accountability Project
(RED) • ONE • American Idol Gives Back • Global Fund to Fight AIDS, TB and Malaria*

¹ Salamon, Lester. M. Speech made to the International Association of Volunteer Effort Conference, the Netherlands, January 2001

*DATA • NineMillion.org • Billion Tree Campaign • LifeMakers • Purpose Driven Network
 TED-Global • Google.org • Virgin Unite • Excelerate • Alliance for a Green Revolution in Africa
 Amyris Biotechnologies • Acumen Fund • M-PESA • Clinton Global Initiative • InnoCentive
 Afrigator • Digital Diaspora Network • HungerMovement.org • Hedge Funds vs. Malaria
 Mohammed Bin Rashid Al Maktoum Foundation • The Children's Investment Fund Foundation
 African Investment Climate Facility • International Finance Facility for Immunization
 Global Alliance for Vaccines and Immunization • Global Alliance for Improved Nutrition
 China Guangcai Program • China-Africa Business Council*

These widely diverse initiatives, organizations and networks have four key characteristics in common:

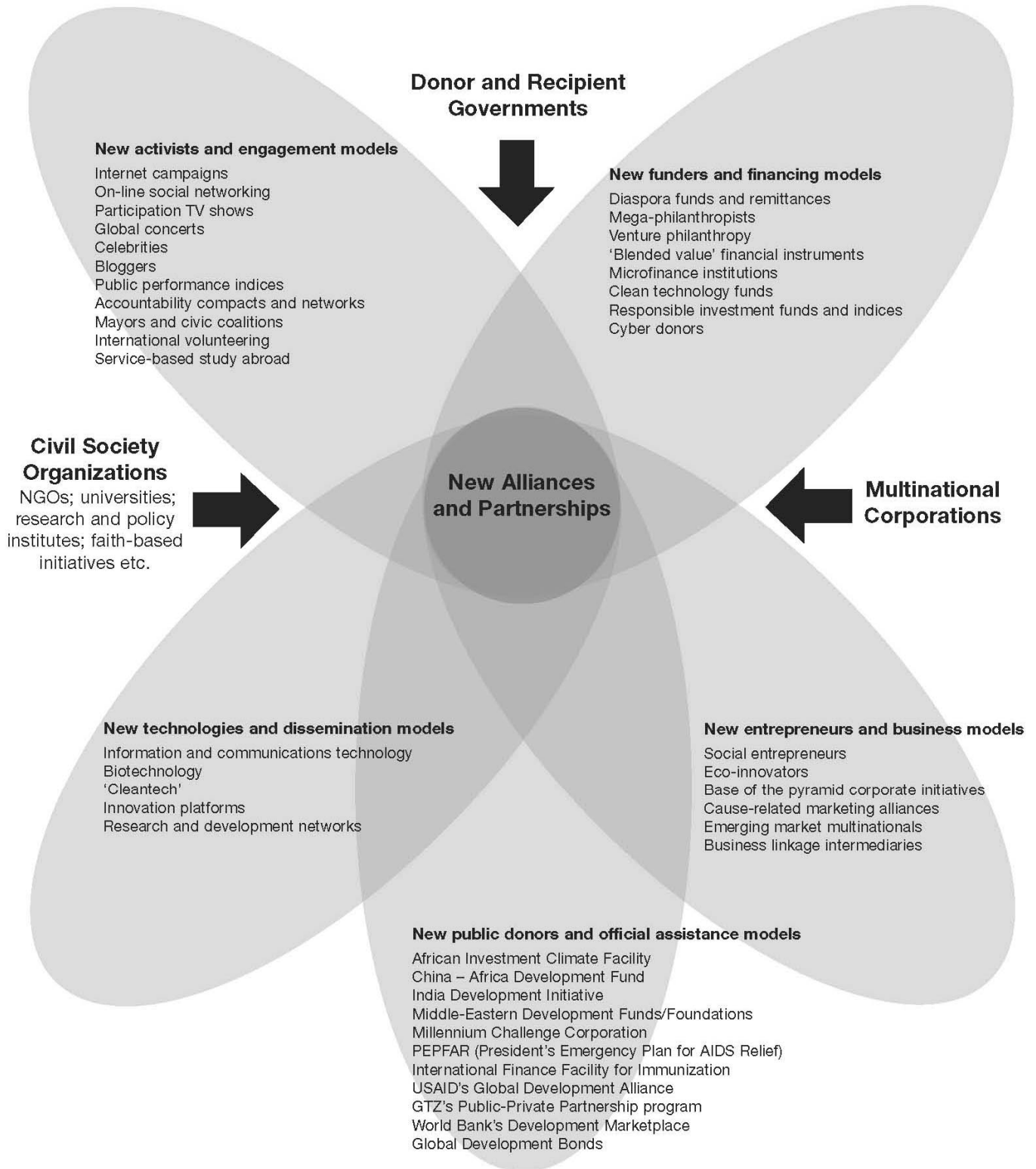
- They are all focused in different ways on alleviating poverty.
- They have all been established within the past decade, most of them in the past five years.
- To achieve their objectives, they are all harnessing new types of technologies, ranging from infotech, biotech and clean tech, to new media, and innovative financial instruments and governance mechanisms.
- They are all mobilizing new players, resources and approaches for international development. In some cases they are led or catalyzed by governments and official donors operating in non-traditional ways. In many others they are being driven by a combination of markets, personal wealth, technological innovation, privately funded research, celebrity status, and civic activism. In almost all cases, they involve new types of cooperation and collective action across the traditional boundaries of public, private and civil society sectors.

At the risk of oversimplifying an extremely varied and dynamic landscape, Diagram 1 illustrates five categories of new development players and models, which are often overlapping and mutually reinforcing:

- New activists and engagement models
- New funders and financing models
- New entrepreneurs and business models
- New technologies and dissemination models
- New public donors and official assistance models.

Many of these new players are influenced by and influence each other. They also influence and interact with the operations of more established NGOs, research institutes, foundations, corporations, and both donor and recipient governments. Indeed, some of the greatest innovation and leverage occurs at the core of Diagram 1, where both new and traditional players are working collaboratively in partnership with each other.

DIAGRAM 1: NEW DEVELOPMENT PLAYERS AND MODELS



In some cases these partnerships constitute a new legal entity with its own governance structure and operations. There are now over 20 global public-private health partnerships, for example, bringing together hundreds of organizations to research, fund and advocate for improved global health outcomes. Examples include the Global Alliance for Vaccines and Immunization, the Global Fund to Fight AIDS, TB and Malaria, and the Global Alliance for Improved Nutrition. Non-health examples include the Extractive Industries Transparency Initiative, Global Environment Facility, and Global Reporting Initiative.

In other cases these cross-sector partnerships consist of specific programs, projects or campaigns between an official donor agency, foundation or corporation and a variety of new players. GTZ's Public-Private Partnership initiative and USAID's Global Development Alliance offer two bilateral agency examples. Since 2002, for example, GDA has obligated \$1.4 billion to 400 public-private alliances and leveraged over \$4.6 billion in partner contributions. UN agency examples include the UN Fund for International Partnerships, UNHCR's NineMillion.org project, UNEP's Billion Tree Campaign, and UNDP's Growing Inclusive Markets initiative, which are all being undertaken with corporate, NGO and foundation partners.

In many cases these alliances take the form of more informal, non-contractual global coalitions and networks, with legally and operationally autonomous players cooperating around a common cause or issue, usually enabled by information technology and the media and/or by shared donors and investors. Examples include the Make Poverty History and Publish What You Pay campaigns, the Digital Diaspora Network, HungerMovement.org and Hedge Funds vs. Malaria. The following vignettes illustrate some of these emerging alliances and networks in practice, and the leverage gained from the linkages between them all.

NEW NETWORKS TO FIGHT GLOBAL POVERTY

(i) Leveraging world-class research, science, technology, design and venture capital to develop and implement pro-poor solutions

Terms such as innovation, venture capital, technology and design have long been associated with the world's most competitive nations and corporations, and most successful entrepreneurs, scientists and universities. They are not commonly linked to the term poverty or to the process of developing products and services for the poor. The following alliances between new types of convenors, investors and implementers are experimenting with novel ways to apply these more market-oriented, high-tech solutions to alleviating poverty:

New marketplaces and innovation platforms: Convenors such as the Clinton Global Initiative (CGI), the World Bank's Development Marketplace, Rockefeller Foundation and InnoCentive's web-based innovation center, and the annual TED (Technology, Entertainment and Design) Conference are bringing together some of the world's leading scientists, inventors, social entrepreneurs, corporations, foundations, philanthropists and venture capitalists to explore new ideas for delivering affordable products and services to the poor and developing clean technologies. They are also brokering deals and obtaining concrete commitments aimed at turning these ideas into cost-effective and often commercially viable realities. In its first two years, for example, the CGI

has mobilized nearly \$10 billion through some 500 commitments. The Rockefeller-InnoCentive innovation platform, which was launched in 2007, plans to link more than 100,000 registered scientists from 175 countries, with entrepreneurs, companies and organizations that are developing products and services targeted specifically at the poor.

Venture philanthropists and venture capitalists: Key ‘investors’ in this process are on the one hand corporate and private foundations that are taking a more enterprise-based and competence-led approach to philanthropy, and on the other, venture capitalists who are applying their skills and resources to invest in social entrepreneurs with an explicit aim to deliver both market value and social value. Google.org, for example, is leveraging the company’s core competencies - its talent and capacity in information and communications technology – and providing investments as well as grants. Other corporate foundations, such as Virgin Unite and the Shell Foundation, are adopting similar business-led approaches. Shell’s Excelerate program is catalysing and scaling-up small enterprises in Africa and Asia that provide modern energy and affordable infrastructure services to the poor, while Virgin Unite is investing in social enterprises and clean technology. The Bill & Melinda Gates and Rockefeller Foundations are also taking the linkages between philanthropy, investing, innovation, science and technology to a new level. In 2006, for example, they launched the \$150 million Alliance for a Green Revolution in Africa (AGRA), which will support both technology-based and market-based solutions in an effort to improve the availability, affordability and variety of seeds and other essential inputs to smallholder farmers. Among AGRA’s goals will be to develop networks not only of African scientists and universities, but also African entrepreneurs, including some 10,000 African agro-dealers.

At the same time, leading venture capitalists such as Khosla Ventures, Kleiner Perkins Caufield & Byers, and Texas Pacific Group Ventures, are investing in cleantech and biotech enterprises with the potential to develop leapfrog technologies and affordable solutions to meet global environmental and social challenges. The CleanTech Venture Network, established in 2002, now convenes over 8,000 of these investors and almost 10,000 companies. Private equity and hedge funds, such as the Children’s Investment Fund and Hedge Funds vs. Malaria are also mobilizing philanthropic dollars to support evidence-based poverty alleviation initiatives.

Social entrepreneurs and eco-innovators: Key ‘implementers’ in this value chain are for-profit and non-profit social enterprises, many of them relatively small, which are incubating new ways of research and development, technology dissemination, and service delivery. Although most are still at a pilot stage and the challenge of scale-up remains daunting, they offer interesting models and potential investments for development agencies, financial institutions and corporations. The following are three models among many of market-led, commercially viable social enterprise:

Amyris Biotechnologies, Inc., is a privately held company applying the latest advances in synthetic biology to develop cost-effective, renewable biofuels (funded by leading venture capitalists) and an affordable, accessible anti-malaria drug (in partnership with the University of California, Berkeley, and the Institute for OneWorld Health, America’s first nonprofit pharmaceutical company, with funding from the Gates Foundation). Another example is the Acumen Fund, a non-profit venture fund that provides

a combination of loans, equity, and occasional grants, plus managerial and technical assistance to enterprises that deliver affordable healthcare, housing, and water to low-income consumers. Its start-up ‘investors’ included the Cisco Systems and Rockefeller Foundations. Acumen Fund’s own investments to date include malaria bednets in Africa, housing for the poor in Pakistan, and drip irrigation in India. M-PESA in Kenya provides a third example. Here a global telecoms corporation, Vodafone, is working with local operator Safaricom supported by the UK’s Department for International Development to operate a commercial business providing money transfers and other financial services through cell phones to low-income people, many without bank accounts. Less than six months after its launch in early 2007, M-PESA has over 175,000 customers, and some 600 agents operating throughout the country via gas stations, supermarkets, cybercafes or as small retailers, in a country where the formal banking sector reaches less than 20 percent of the population.

(ii) Mobilizing citizens, voters and consumers to advocate and take action on poverty

Two of the greatest challenges in mobilizing the public to either advocate for or contribute resources to tackling global challenges are lack of awareness and complexity of the issues. Speaking at Harvard’s 2007 Commencement, Bill Gates summed up the challenge as follows: “The barrier to change is not too little caring; it is too much complexity. To turn caring into action, we need to see the problem, see a solution, and see the impact. But complexity blocks all three steps. Even with the advent of the Internet and 24-hour news, it is still a complex enterprise to get people to truly see the problems.”² Initiatives such as those below are tapping into the outreach capacity of new media, and combining this with popular culture, consumer brands, relatively simple messages, and compelling human-interest stories to help make sense of this complexity. They are effectively communicating the link between individual action and on-the-ground results, and capturing the imagination and support of a new generation of citizens and consumers. Such efforts do not match and cannot substitute for official development assistance and private investment, but they can spur greater public support for development and increase private resources to support poverty alleviation initiatives.

The ONE campaign was inspired by the global *Make Poverty History* initiative, and describes itself as, “an effort by Americans to rally Americans – one by one – to fight the emergency of global AIDS and extreme poverty. ONE is students and ministers, punk rockers and NASCAR moms, Americans of all beliefs and every walk of life, united to make poverty history.”³ Participants are invited to sign up to the ONE declaration, and over 2,400,000 have done so to date, with their numbers increasing real-time on-line. ONE.org provides them with direct links to over 50 NGO partners and faith groups, up-dates on key development challenges, and guidelines on how to advocate for government action on specific issues and initiatives.

The Global Fund to Fight AIDS, TB and Malaria is one of the initiatives supported by ONE. Itself an innovative new approach to mobilizing public and private

² Bill Gates Speech to Harvard University Commencement. Cambridge, June 7 2007.

³ www.one.org (Accessed on May 27th 2007)

resources, the Global Fund has approved grants for more than 450 projects in 136 countries with a total commitment of \$6.6 billion. To date, despite aiming to raise 10% of its funds from the private sector, most of the Global Fund's resources have come from governments, with less than 1% from business. Since October 2006, however, it has received over \$25 million from private sources through another innovative new initiative called (RED).⁴

(RED) was launched at the 2006 World Economic Forum by Bobby Shriver and Bono. It is a multi-company, cause-related marketing campaign, raising both awareness and funds to support the Global Fund and its projects in Africa. Employing world class marketing, advertising and brand management expertise, and both traditional and new media, (RED) is working with iconic consumer brands such as American Express, Converse, Gap, Giorgio Armani, Motorola, and Apple to sell (RED) products that contribute a percentage of sales to the Global Fund. The founders argue that, "(RED) is not a charity or "campaign". It is a commercial initiative designed to create awareness and a sustainable flow of funds from the private sector into the Global Fund to fight the AIDS pandemic in Africa."⁵ Its targeted approach and ability to identify specific projects and even individuals who have benefited from these funds, enhances the value proposition for consumers and beneficiaries even further.

American Idol is heralding in a new era of participation TV that engages viewers to act and respond. While there may be debate on its merits, 63.5 million votes were cast in one night for the 'Idol's' 2007 finalists. In 2007, the program also hosted its first 'Idol Gives Back' shows, coinciding with the first US-recognized Malaria Awareness Day. The effort raised almost \$70 million to support US-based and global initiatives focused on children and on tackling hunger and malaria. As Bono commented in the lead-up to the event, "We'll see worlds collide when Africa appears on America's most-watched TV show. This is a big deal, a little bit of pop history."⁶

MySpace.com was the source of Bono's comments. It is one of the world's fastest growing social networking websites, with more than 100 million users around the world, and an estimated 230,000 new registrations per day. In 2007, it agreed to partner with 'Idol Gives Back', (RED), and the ONE Campaign to use this outreach capacity in a joint effort to raise citizen awareness, funds and activism to fight global poverty.

Life Makers and the Purpose Driven Network are two of the world's other most popular websites and networks that have started to mobilize thousands of individuals through their faith communities to engage in a range of community initiatives and poverty alleviation efforts. The former is one of the projects of Amr Khaled a Muslim layman preacher and activist who reaches an estimated 100 million Arab youth every week through his TV shows and has what is deemed to be one, if not the most accessed personal website in the world. His Life Makers program engages youth in practical action plans to transform their lives and communities, and encourages peaceful interaction between Islam and the West. American pastor and philanthropist Rick Warren has inspired the Purpose Driven

⁴ www.joinred.com (Accessed on May 27th 2007)

⁵ Ibid.

⁶ www.americanidol.com/idolgivesback (Accessed June 26th 2007)

Network, which is a coalition of over 400,000 congregations in churches and synagogues from over 200 denominations around the world. This network also encourages faith-based community service, and advocacy for and practical engagement in international development projects, including efforts to address HIV/AIDS and support initiatives such as the Global Fund.