



ANNUAL REPORT 2016



2016 by the Numbers




365
blogs posted with a combined
570,000
unique page views




148
CGD-hosted events

1.25
million
Website visits



135,604
people following
27
CGD experts



73,478
@CGDev followers

You Tube

66,490
views



149,095
CGD podcast
downloads



Our Mission and Values

The Center for Global Development works to reduce global poverty and inequality through rigorous research and active engagement with the policy community to make the world a more prosperous, just, and safe place for us all.

The policies and practices of the rich and the powerful—in rich nations, as well as in the emerging powers, international institutions, and global corporations—have significant impacts on the world's poor people. We aim to improve these policies and practices through research and policy engagement to expand opportunities, reduce inequalities, and improve lives everywhere.

By pairing research with action, CGD goes beyond contributing to knowledge about development. We conceive of and encourage discussion about practical policy innovations in areas such as trade, aid, health, education, climate change, labor mobility, private investment, access to finance, and global governance to foster shared prosperity in an increasingly interdependent world.





The Center has established itself as an influential voice in international development policy, with a unique model of nonpartisan policy innovation.

This annual report marks two milestones in 2016: CGD's 15th anniversary and, at the end of the year, its first leadership transition, with founding president Nancy Birdsall succeeded by Masood Ahmed. In this first era, the Center has established itself as an influential voice in international development policy, with a unique model of nonpartisan policy innovation.

Marrying research-based recommendations with the political acumen to find common ground between divergent interests has been CGD's hallmark. It has resulted in tangible improvements in the processes and institutions that support development.

CGD ideas on financing mechanisms have helped catalyze large-scale childhood vaccine development and could spur future refugee resettlement and disaster recovery efforts; the Center's analytical approach has led to reforms and new practices at the multilateral development banks, unlocking more funds for investment in growth; and it has brought greater government transparency and more effective allocation of aid budgets.

Now, both the world and development policy are very different from when CGD was established. For one, foreign aid, while still important, makes up a small and declining share of development finance, dwarfed by developing countries' own

revenues and private finance. Second, truly shared problems have emerged, such as climate change, the risk of spreading pandemics, and the pressures of large flows of refugees or migrants, while the international cooperation needed to address them is challenged by the global shift away from multilateralism. Through the research it focuses on, the issues it addresses, and the audiences it engages, CGD is already responding to this new environment with ideas that are economically and politically astute.

To the Center, Masood Ahmed now brings a unique understanding of the complexities of policymaking and constituency-building, and an unrivalled network of leading thinkers and practitioners. He builds upon 15 years of insightful and inspiring leadership by Nancy Birdsall.

CGD's comparative advantage—its commitment to peer-reviewed research and its aversion to political ideology—will not change in the coming years. Together, the preservation of core strengths, adaptation to new realities, and a cadre of world-class scholars, will ensure CGD's continuing position at the forefront of global development policy for many years to come.

Lawrence H. Summers
Board Chair

It is a pleasure and an honor to pen my first message as CGD's president. I am joining an institution with an outsize reputation for influence in development policy, thanks to the genius of my predecessor Nancy Birdsall, our family of global experts, and our many generous supporters. There is a rich catalog of endeavor on which to build.

In 2016 CGD experts provided groundbreaking work on US-Mexico migration policy, the future of the multilateral banking system, financial inclusion, government transparency, and women's economic empowerment. Two major books—*Millions Saved: New Cases of Proven Success in Global Health* and *Why Forests? Why Now? The Science, Economics and Politics of Tropical Forests and Climate Change*—are helping to move the debate in their fields.

Shifting political priorities and growing global concerns make CGD's commitment to evidence a critical tool in effective policy design. This year, CGD scholars continue to research, analyze, and innovate to generate policy proposals that are politically smart, cost-efficient, and mutually beneficial.

Teams led by Cindy Huang and Owen Barder offer new responses to the international refugee crisis, while Michael Clemens's work on migration as a tool for development continues to challenge misconceptions.

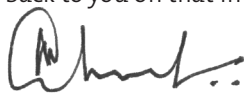
Several CGD experts examine innovations in development finance, from reform of the

multilateral development banks to insurance contracts for disaster recovery, and, adapting a longstanding CGD idea, performance-based payments for tropical forest preservation.

The same principles of efficiency, equity, and political realism underscore our work led by Scott Morris on US development policy under a new administration and on UK development policy post-Brexit from our London-based CGD Europe team. They also underpin work by Charles Kenny on corruption, and by our global health team on how to structure universal healthcare programs.

How technology impacts development informs work by Vijaya Ramachandran and Michael Pisa on international remittance payments, and by Alan Gelb on how biometric ID systems can help achieve several of the Sustainable Development Goals.

Looking further ahead, new challenges face the development community. Here, CGD's past informs our future. A great strength has always been our ability to adapt our work to respond to emerging concerns. One of my key objectives is to ensure that we can maximize our impact in this new environment, and I look forward to reporting back to you on that in the coming year.



Masood Ahmed
President



CGD scholars continue to research, analyze, and innovate to generate policy proposals that are politically smart, cost-efficient, and mutually beneficial.

2016 Highlights

A Change in Leadership

After 15 years of leadership, Nancy Birdsall stepped down as president at the close of 2016 and transitioned to a new position as a senior fellow. Her successor, Masood Ahmed, picked up the reins in January 2017. Ahmed comes to CGD from the IMF, where he served most recently as director of the Middle East and Central Asia Department. In a career spanning 35 years, he also led the IMF's External Relations Department and held leadership positions at DFID and the World Bank, driving international economic policy on debt, aid effectiveness, and trade.



Improving Financial Inclusion through Regulatory Change

Digital technology is extending financial services to people previously excluded from the formal economy, but with opportunity comes risk. *Financial Regulations for Improving Financial Inclusion* shows how regulators can make financial inclusion compatible with the traditional mandates of financial regulation: safeguarding the integrity of the financial system while protecting consumers from fraud. Developed by a task force of experts led by senior fellow Liliana Rojas-Suarez and Federal Reserve Board senior advisor Stijn Claessens, the report recommends actions in three areas: competition policy, leveling the playing field, and know-your-customer rules. It was presented at the Reserve Bank of India and at high-level meetings in Nairobi, Lima, London, and Mexico, and at the United Nations; IMF managing director Christine Lagarde spoke about it at a CGD-IMF conference.



“It is clear from the data and analysis that... a good regulatory environment is...critical [for financial inclusion].”

—Christine Lagarde, Managing Director, International Monetary Fund



“We need to address [the unintended consequences of AML/CFT policies], or the goals of better remittance flows, financial inclusion, and inclusive growth are going to be more at risk.”

—Clay Lowery, former Assistant Secretary for International Affairs, US Treasury

Increasing Recognition of the Unintended Consequences of Anti-Money Laundering Policies

In 2015, a working group led by senior fellow Vijaya Ramachandran and former assistant secretary of the US Treasury Clay Lowery showed that reasonable national security policies designed to prevent money laundering and to counter the financing of terrorism (AML/CFT policies) were making it hard for migrants in the US to send remittances home, for nonprofits to operate in fragile environments, and for people to conduct cross-border transactions from poor countries. The group’s report helped put these challenges at center stage for US financial regulators. In 2016, the Financial Action Task Force improved regulatory guidance concerning nonprofits, and the US Treasury acted to address the unintended consequences of AML/CFT policies, clarifying the regulatory environment in line with CGD’s recommendations.

More Than a Lightbulb

Improving energy access is a top development priority, but the current UN target of 100 kilowatt-hours per person per year is barely enough to power a lightbulb and charge a mobile phone. CGD’s Energy Access Working Group, led by senior fellow Todd Moss and Mimi Alemayehou of the Black Rhino Group, urges more realistic goals in *More Than A Lightbulb: Five Recommendations to Make Modern Energy Access Meaningful for People and Prosperity*. The report identifies targets, indicators, and policies for a new standard of energy access that is consistent with energy usage in economic development and the ambitions of developing countries. Donald Kaberuka, former president of the African Development Bank and CGD distinguished visiting fellow, delivered the keynote speech at the report’s launch.



Accelerating Contract Transparency

Senior fellow Charles Kenny has long urged governments to proactively publish their contracts as a way to ensure better value for money. In 2014, he led a CGD working group that recommended making government contracts open by default and set out guidance on addressing costs, collusion, privacy, commercial secrecy, and national security. The report’s launch also marked the launch of the independent Open Contracting Partnership and its secretariat.

Thanks to this growing movement, 2016 was a banner year for contract transparency. The UK government committed to making contracts open by default and 13 other governments committed to the Open Contracting Standard, designed to ensure the timely disclosure of high-quality data. In late 2016, five countries—accounting for more than \$1 trillion in annual spending on procurement—launched a partnership to foster more open and inclusive public contracting.

“Considerable ambition and fresh thinking are required to equip the multilateral banks for this century’s new development challenges. We believe world governments that control the MDB system are able to muster such ambition.”

— Montek Singh Ahluwalia, former Deputy Chairman of India’s Economic Planning Commission; Lawrence H. Summers, former Secretary of the US Treasury; and Andrés Velasco, former Finance Minister of Chile, Co-chairs of the High-Level Panel on the Future of Multilateral Development Banking

The Future of Multilateral Development Banking

The world has changed dramatically since the multilateral development banking system was founded after WWII. *Multilateral Development Banking for This Century’s Development Challenges* sets out recommendations for the world’s governments in five areas—global public goods, sustainable infrastructure, concessional financing, crisis management, and a shareholder-led governance agenda—that together would make the MDBs better equipped to tackle today’s transnational problems. Nancy Birdsall and Scott Morris chaired the high-level panel behind the report. CGD followed up on the report by engaging with leading MDB policymakers, including MDB presidents who endorsed key recommendations in a public statement, and with the German presidency of the G-20. Additional events are planned with US, European, and Chinese officials in the spring of 2017.



Tackling the Learning Crisis

Many developing countries have made progress enrolling children in schools, but a significant portion of those children aren’t learning. To address this learning crisis, senior fellows Justin Sandefur and Lant Pritchett, and visiting fellow Barbara Bruns, are helping to lead RISE (Research on Improving Systems of Education). Launched in 2015, RISE is a multicountry research partnership working to build the evidence on education systems needed to ensure that children actually learn in schools. CGD set the research agenda for RISE, and in 2016, teams began working in Tanzania, India, Vietnam, and Pakistan. Several CGD experts, including Bill Savedoff, Nancy Birdsall, Justin Sandefur, and Barbara Bruns, also contributed papers to the report by the International Commission on Financing Global Education Opportunity, chaired by Gordon Brown.

CGD Europe

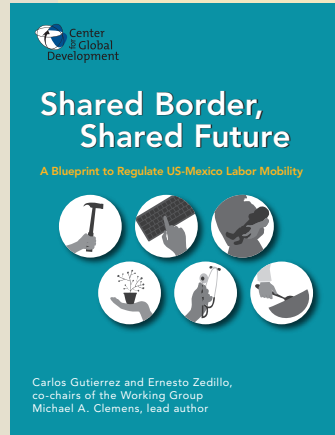
Work by CGD Europe’s Owen Barder, Ian Mitchell, and Michael Anderson on how the UK can maintain post-Brexit development-friendly trade policies received considerable attention from the British government. In addition, the team’s research on innovative financing in emergency situations—including humanitarian cash transfers and disaster insurance—featured at two global conferences, including the World Humanitarian Summit, and has helped cement CGD Europe’s reputation as indispensable contributors to the policy debate in Europe.

“The problem isn’t the lack of a wall. The problem is that there are jobs available that aren’t getting filled.”

— Carlos Gutierrez, Chair of the Albright Stonebridge Group and former US Secretary of Commerce under George W. Bush

Shared Border, Shared Future

Unlawful migration from Mexico to the US feeds a black market in labor that harms workers, families, security, and public finances in both countries. Recognizing the need for a solution, CGD convened a group of Mexican and US experts in business, economics, law, labor, and security, led by former Mexican president Ernesto Zedillo and Carlos Gutierrez, US commerce secretary under George W. Bush. Launched with an op-ed in the *New York Times* by the co-chairs, the group’s report—*Shared Border, Shared Future*—sets out a blueprint for a bilateral agreement designed to end unlawful migration, promote the interests of workers, and uphold the rule of law. The *New York Times*, *US News & World Report*, and several Mexican news outlets covered the report, and its recommendations were presented to the Mexican embassy in the US and at events at Columbia University and in Mexico City. Senior fellow Michael Clemens was the report’s lead author.



“We need to think about new approaches to address legitimate concerns, and those approaches must be a win-win. That is what we are trying to provide in this report.”

— Ernesto Zedillo, former President of Mexico

“[Millions Saved] is a refreshing reminder of our ability to take on some of the biggest global challenges. And it underscores the incredible impact development aid can have—and why it is so important that we continue to support poor countries in lifting themselves out of poverty.”

— Bill Gates, Co-chair of the Bill & Melinda Gates Foundation

Millions Saved

Millions Saved: New Cases of Proven Success in Global Health by senior fellow Amanda Glassman and public health expert Miriam Temin chronicles 22 rigorously evaluated case studies from Brazil to Zambia that demonstrate common principles to make global health programs more likely to succeed. With a further 17 cases documented in two earlier editions, *Millions Saved* continues to challenge the myth that investments in public health are costly and ineffective. It’s been welcomed by the policy and advocacy communities, and an academic edition has become a key teaching aid for public health policy classes in colleges and universities around the world.





Aligning to 2020: How the FP2020 Core Partners Can Work Better, Together

In 2012, a group donors and low- and middle-income countries committed to a new partnership—FP2020—and an aspirational goal of 120 million additional users of voluntary family planning services by 2020. With the aim of better allocating scarce donor funds to increase the pace of progress toward that goal, CGD convened the Working Group on Alignment in Family Planning in 2015. The group's 2016 report, co-authored by senior fellow Amanda Glassman and senior policy analyst Rachel Silverman, analyzes the successes and limitations of family planning alignment to date, and recommends actions to support strategic resource allocation, create stronger incentives for greater co-financing and performance, and enhance accountability and learning. The report featured at the FP2020 reference group meeting, and the authors presented its findings to leaders from reproductive health organizations.

What Works in Women's Economic Empowerment

The benefits of expanding women's economic opportunities are well established, but less is known about which interventions work best. In a CGD–United Nations Foundation joint report, *Revisiting What Works: Women, Economic Empowerment, and Smart Design*, senior fellow Mayra Buvinic and program coordinator Megan O'Donnell update the 2013 *Roadmap for Promoting Women's Economic Empowerment*, which drew on 136 evaluations to identify proven, promising, high-potential, and unproven interventions to increase women's earnings in developing countries. *Revisiting What Works* reexamines these ratings in light of 96 new studies. It was launched at a conference hosted by CGD, the UN Foundation, and the International Development Research Centre, and presented at DFID, USAID, and World Bank events.

Why Forests? Why Now?

In *Why Forests? Why Now? The Science, Economics, and Politics of Tropical Forests and Climate Change*, Frances Seymour and Jonah Busch argue that world leaders should act now to protect tropical forests with scaled-up performance-based payments. They demonstrate the disproportionately large benefit tropical forests can have on climate change, how millions of poor people depend on the services they provide, and how consensus has been reached on a framework for international cooperation to conserve them. Following the book's launch in December, the World Bank, World Resources Institute—Indonesia, and others invited Seymour and Busch to speak on its findings.



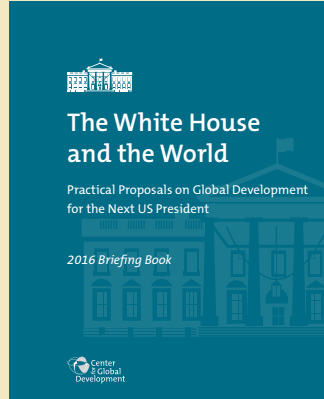
“Anyone who cares about climate change or sustainable development should read this book.”

—Erik Solheim, Executive Director, UN Environment Programme; former Chair of the OECD Development Assistance Committee



Identification for Development

Without formal identification, people can't exercise their rights, access services, or participate in the modern economy. When CGD began working on biometrics and identification in 2011, we were among the first to take an integrated look at the relationship between development and identification. Our analysis helped the World Bank launch the Identification for Development Initiative (ID4D)—a multisector effort to systematize support for identification systems. CGD also helped to found ID4Africa (senior fellow Alan Gelb is on its advisory board), which brings together governments, development partners, and the ID industry to shape best practices. In February 2016, CGD produced a set of principles for identification in development. Within a year, the principles had been formally endorsed by 15 organizations that together constitute almost all the significant players in this field, including UN agencies, financial institutions, and major foundations.



The White House and the World

CGD's *White House and the World* briefing book offered 15 practical policy proposals on global development for the incoming administration, ranging from standing up a US Development Finance Corporation to proposing the structure for reviews to strengthen US bilateral and multilateral assistance. CGD staff briefed candidates in both parties leading up to the primary season on the proposals. The briefing book also served as a launching point for bipartisan roundtables and resulting recommendation memos, as well as memos to the transition teams. The briefing book's shelf life has extended well beyond the US elections and it continues to inform members of Congress on both sides of the aisle.



2016 Financials

As a nonpartisan, nonprofit think-and-do tank, CGD leverages modest resources to combine world-class scholarly research with policy analysis and sustained outreach to turn ideas into action.

Our experts' work is grounded in rigorous, evidence-based analysis that is subject to peer review. We are proud of our independence and do not accept funding that seeks to impose limits or restrictions on our research, findings, conclusions or resulting publications. We are grateful for a diverse group of supporters who help us maintain our independence and further our mission. In each of the last three years we have received top marks for financial transparency from Transparify and Charity Navigator.



Revenue

(funds available for 2016)
Total = \$13,855,414



- Foundations 49%
- Government (non-US) 18%
- Individuals/
Family Foundations 17%
- Corporations/
Corp. Foundations 10%
- Nonprofits/NGOs/Other 6%

Expenditures

Total = \$13,673,506



- Research and Programs 82%
- Management and
Administration 14%
- Fundraising 4%

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A full list of our 2016 supporters is available through cgdev.org/page/ways-give.*

“What CGD has done is insisted on rigor in our collective work. You’ve shined a light on the discipline of development, and by doing so, you’ve made all of us better, and our work smarter and more impactful.”

— Gayle Smith, former USAID Administrator





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