



Self-Sufficiency in 2018 and Beyond /

From the 'journeys to self-reliance' that USAID unveiled at the Advisory Committee on Voluntary Foreign Assistance meeting on January 18th, to UK Secretary of State for International Development Penny Mordaunt's push for countries to increase their own domestic expenditures in development, to the estimated \$4T gap between official development assistance (ODA) and what it will take to finance the Sustainable Development Goals, the idea of self-sufficiency seems to be driving the agenda so far in 2018.

As an organization committed to accelerating self-sufficiency and prosperity, Crown Agents USA convened technical experts from across our business to consider how the focus on self-sufficiency might shape development in 2018 and beyond. They identified three self-sufficiency-related trends– the rise of the 'why' workforce, development as investment, and the nexus of big wealth and solvable problems- that will shape development in 2018 and beyond.

The rise of the 'why' workforce

Scott Sayers (Practice Director - Procurement Advisory Services): If we're going to drive self-sufficiency in the procurement advisory services space, we need to invest projects that support a 'why' workforce – employees with great technical skills and a clear understanding of how their individual work rolls up into project and development goals. For example, one factor that drives lag time and implementation challenges in procurement is the technical specification; specifically, the people developing the technical specification are often left out of conversations about why the requirements are needed; they just receive a list of needs and are tasked with turning it into technical specifications. Ensuring that those developing technical specifications know enough about why the requirements are the way they are will ultimately drive quicker and more efficient procurement. And quick, efficient procurement will be increasingly important as countries transition to more self-financed, self-implemented procurement.

Key Insight

- ✓ To accelerate self-sufficiency, we need to create workforces that balance technical expertise with an understanding of how their work supports project and country development goals.

Yulia Johansen (Practice Director - Health Systems Strengthening): Generating a shared understanding of 'why' is also key when we talk about health systems strengthening. In 2018, and beyond, we need to take a critical look at whether technology has been helpful in creating that shared understanding of 'why.' For example, health projects often use technology-enabled systems to manage complex processes like the procurement of health commodities; in some cases, the technology has displaced old-fashioned human interaction. It turns out that human interaction is actually quite efficient as a means, not only for sharing the technical details specific to a piece of work, but also for building an understanding of how individual activities fit into and support broader development goals.

Tanna Bruce [Practice Director - Economic Governance and Trade]: One thing we've heard, in talking with clients and ministry folks, is that to drive self-sufficiency in 2018 and beyond, the workforce within Ministries of Finance and other line Ministries needs to change. Specifically, and related to the idea of the 'why' workforce, Ministries need to hire more people with program expertise and enough financial acumen to develop a budget, as opposed to just focusing on hiring accountants. That's a big shift – it means pointing hiring people who understand programmatic needs, the 'why' behind the budget, and giving them enough space to ensure that budgets align with policy. One reason that our Training and Professional Development practice offers these kinds of trainings, and develops bespoke trainings, is to build this capability for our partners.

Development as investment

Key Insight

- ✓ The development financing gap, the rise of DRM, and the explicit focus on self-sufficiency are deepening the idea of development as investment, with implications for financing, programming, and monitoring and evaluation.

Lawrence Michel [President and CEO]: When one steps back and looks at: 1) the development financing gap, the \$4T delta between ODA and what it will take to finance the SDGs; 2) the way that domestic resource mobilization has climbed the development agenda over the last two to three years; and, 3) the explicit focus on self-sufficiency coming out of USAID under Mark

Green's leadership and the Department for International Development (DFID) under Penny Mordaunt, there's a clear trajectory toward thinking about and talking about development as investment. The kinds of things that characterize an investment – pooled financing, exit, and return on investment– have long been features of the development landscape, but they're becoming more prominent.

Sarah Tisch [Practice Director – Food Security; Monitoring, Evaluation and Learning; and Humanitarian Solutions]: Investment has always been a part of the development conversation and it has become more prominent. Last month, for example, the UBS Foundation partnered with USAID and others to launch the Utkrisht Impact Bond, which will see the partners putting in equity for impact at various stages in the life of the bond. We need to think carefully about how programs like this are monitored and evaluated. Specifically, as this 'development as investment' conversation deepens and more of these instruments flourish, we need to make sure we're listening to what the data tell us. Development projects get into trouble when conclusions are preconceived, crowding out the narrative the data wants to tell; this seems to be a particular risk with the investment lens, where 'exit' decisions can be made on the basis of hitting specific milestones. Tactically, I think this will make mid-term evaluations even more important, as projects with specific 'exit' milestones will need to make sure that they don't prematurely divest and miss the opportunity for ROI.

Scott Sayers: I hope the investment conversation spills over into the procurement world because it makes a lot of sense to think about procurement activities as investments. Too often, procurement programs focus on lowest price; if we use an investment lens, the focus can shift to best value, which incorporates things like total cost of ownership. Long-term considerations like total cost of ownership are important considerations as development programs more aggressively target a transition to self-sufficiency.

Big wealth and solvable problems

Yulia Johansen: I think philanthropists are becoming much clearer about their interests, and we're seeing programming that leverages big wealth to take on solvable problems. Consider Bloomberg's Resolve initiative, a program that's going to massively scale relatively low-cost measures in an attempt to eradicate certain non-communicable diseases in low and middle-income countries. This is a model taken in recent years by the Gates Foundation and other philanthropies; namely, identify a solvable problem that, if addressed, would put communities on the path to self-sufficiency, put significant resources behind it, and aim for results at scale. As official development assistance flows level off or fall in 2018, the role of big wealth in addressing solvable problems will become even more pronounced.

Key Insight

- ✓ Philanthropists are taking a practical approach to development, focusing their wealth on addressing solvable problems at scale. The focus on self-sufficiency further aligns this philanthropic interest with the interests of bilateral and multilateral partners.

Lawrence Michel: As the 'development as investment' conversation deepens, the private sector and the development sector will realize that they've got even more shared interest in the kind stable, predictable societies that create long-term development ROI. As a result, we will see even more co-investment in projects where these interests intersect. Given the potential for reduction in development budgets in 2018 and beyond, our industry needs to keep welcoming that co-investment as a means to accelerate global self-sufficiency and prosperity.

To learn more about how Crown Agents USA accelerates self-sufficiency and prosperity, visit our website at www.crownagents.com/en-US, and follow us on [Twitter](#) and [Facebook](#).