We need a Global Development for the Future Act

It's long past time to reimagine and reshape the U.S. approach to global development and build a new model fit for the 21st century. International systems largely built in the aftermath of World War II cannot keep up with the many interconnected challenges we face.

Counterintuitive it may sound amidst this moment of political division, we need to be ambitious (and idealistic) again. Resistance to change is easy. We often hear about what we can't do, what we won't do. It's time for a new way. It's time to build the America that could.

By drawing directly from the deepest sources of our national strength and economic dynamism, America can offer the world a new value proposition to address the greatest challenges that face us, present and future, domestic and global. A new approach would:

1) Make sustainable economic growth and promote mutually-beneficial trade, not aid, as the basis of our partnership with hundreds of nations around the world.

Most of the countries the U.S. government provides development assistance to that are not experiencing humanitarian crises are ready to transition their relationships away from grant- and aid-based models to ones focused on promoting broad-based sustainable economic growth rooted in sound industrial policies. A growing body of evidence shows that sustainable economic growth does more to boost sustainable human development outcomes than traditional aid.

For example, China just did a $7 billion debt-for-minerals deal in the Democratic Republic of the Congo. The U.S. could have made a better offer: co-investing in a way that would enable Congolese entrepreneurs to own the mine, process the minerals, and sell it to the rest of the world — including the U.S. — with protections against slave labor and environmental degradation.

The U.S. could also invest in ways that propel broad-based growth in sectors that will shape the global economy over the next decade, like sustainable mining, clean energy, drug manufacturing, and logistics, and in innovation-enabling infrastructure like fiber optic cable. Investing this way can also accelerate the movement of socially-responsible companies working to establish a global floor of minimum standards for sustainability, transparency, and human rights.

2) Position the U.S. as a partner of first choice for any country that wants to leverage innovation to advance their development goals and grow strategic sectors.

The United States is an innovation power, but we barely scratch the surface when it comes to leveraging innovation to tackle the world's biggest problems. Just as the bipartisan CHIPS and Science Act will make investments in innovation part and parcel with the way America grows its own economy over the next two decades, the United States can also make innovation a centerpiece of its value proposition for other nations:

- Using Operation Warp Speed as a model, routinely make advanced market commitments to stimulate industry R&D in sectors where markets otherwise won't act, like cures for infectious diseases.
- Facilitate safe diffusion of innovation gains made at federal research agencies, U.S. national laboratories, and research universities with partner nations.
- Create a Small Business Innovation Research (SBIR)-like program for companies solving global challenges, with eligibility to include global partners.
- Co-invest with universities, philanthropy, and large multinationals in global R&D centers and other tools to create 21st century jobs and increase digital inclusion.
- Source and scale best-in-class innovations, prioritizing those that reach 1 million or more people and poised to reach the next 100 million.

3) Change the way we invest globally away from project-based aid to models that promote sustainability, co-investment, country ownership, and burden sharing.

Rather than issue large grants and contracts that only legacy government contractors can compete for and win, the U.S. should change how it invests globally to:

- Create joint corporations and compacts with partner governments – regionally, nationally, and at the city level – to achieve clearly defined goals, and then jointly select and pay service providers against results.
- Invest directly in companies and social enterprises in emerging markets to help grow their capabilities.
- Increase use of innovative finance tools like first-loss guarantees, debt swaps, and blended finance to incentivize more private investments in sectors where perceived risks are high but investment is still needed.
- Co-invest with philanthropy and other trusted donors in tools like outcomes funds to pay for results and get more funding out of DC and to local communities.