MARCH
2025

DONORS' GPS



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FROM AID TO INVESTMENT

WINNING BIG

WITH ASIA'S NEW DEVELOPMENT POWERHOUSES

The rise of Asian development funding

An international development and strategy consulting firm, confident in their FCDO experience, presented what they thought was a winning proposal to JICA in Tokyo, only to be met with polite indifference. The team had spent months preparing what they considered a flawless pitch. It followed every best practice that had won them millions from USAID, FCDO, and the EU — comprehensive, impact-focused, and technically sound. And yet, it went nowhere. What happened? They had fundamentally misunderstood their audience. They treated JICA like it was FCDO with a different logo, clinging to an old playbook that simply didn't resonate.

Having worked across multiple donor landscapes, I've seen this scenario play out repeatedly. NGOs and development consultancies approach Asian donors with Western fundraising playbooks, then wonder why their proposals gather dust. The truth is that the development funding game has new players now, and they're not following Washington or London rules. Decades of Western donor dominance — USAID, FCDO, the EU, and others — set the rules of engagement, shaping everything from proposal formats to reporting requirements. But the ground has shifted dramatically.

As Western aid budgets shrink to historic lows, Asian development funding is surging — and it comes with a fundamentally different mindset. Japan, South Korea, Indonesia, Thailand, Taiwan, Kazakhstan — and let's not forget China and India — have emerged as significant development funders, each with their own playbook. These aren't minor tweaks to the old model; they represent entirely different funding philosophies.

From recipients to donor powerhouses

To understand why Asian donors operate differently, consider their histories. Many of these countries lived the development journey themselves. Japan rebuilt from wartime ruin with the help of American aid. South Korea went from a low-income aid recipient to a high-income economy within a generation. These nations don't just fund development, they experienced it. Their approaches reflect the strategies that propelled their own success.

Western donors typically design aid programmes around specific social objectives, human rights, and governance reforms. Asian donors, by contrast, emphasise infrastructure development, economic growth, and technological advancement — the very paths that transformed their own economies.

At the Asian Development Bank in Manila, I observed an exchange between a health NGO and Taiwanese officials that highlighted this difference in approach. The NGO passionately presented a community health education programme. The Taiwanese officials kept steering the discussion toward digital health technology and telemedicine systems. Both parties left the room visibly frustrated. Neither side was inherently wrong — they simply had different philosophies on how to achieve development outcomes, shaped by distinct experiences. As a Vietnamese-born development practitioner who grew up in Italy and was educated in the West, I deeply relate to this feeling.

Partnerships over projects

Perhaps the most critical distinction is this: Western donors fund projects, Asian donors build partnerships. This fundamental difference changes everything about how you engage them. A typical Western funding process might start with an open call for proposals, move through competitive evaluation, and end in a grant or contract. Asian funding, on the other hand, often starts at the top — with government-to-government agreements or high-level memoranda — and only later filters down to specific projects. Relationship-building and diplomatic ties come first; formal proposals come later (if at all).

It's not uncommon to see organisations spend months writing unsolicited proposals for, say, Japanese or Gulf funders without first establishing any relationships or context. They approach JICA like a USAID RfP, responding to public calls with a detailed technical proposal. But JICA usually identifies priorities through diplomatic channels long before any paperwork begins. If you're not plugged into those conversations via the right government or partner relationships, your proposal, no matter how polished, is likely to go nowhere.

It's not just the process that differs; the very nature of the funding is different. Traditional Western aid often comes as outright grants. Many Asian donors prefer loans, investments, or co-financed projects over one-way grants. For example, Japan delivers the majority of its aid through low-interest, government-backed loans via JICA (around 85% of its $17+ billion aid programme), making it by far the biggest proponent of loan finance among major donors. Similarly, Gulf states frequently favour large-scale public-private partnerships and require collaboration with institutions that have ties to their region.

Economic diplomacy, not charity

Pakistan's Gwadar Port is being transformed under the China-Pakistan Economic Corridor, with over $60 billion invested by China in this flagship Belt & Road project. This exemplifies how Asian development finance often arrives via major trade-linked infrastructure partnerships — ports, railways, power plants — rather than traditional aid grants. These projects build long-term economic linkages and influence, reflecting the fundamentally different philosophy Asian donors bring to development.

Asian donors *blend development with economic diplomacy* in a way most Western donors do not. South Korea's approach illustrates this well. Those who are familiar with KOICA's way of working would know that KOICA consistently integrates Korean private-sector partners, technology solutions, and trade considerations into their development programmes. While most Western aid agencies maintain a clearer separation between "aid" and commercial interests — though the EU's Global Gateway has shown how this line is becoming increasingly blurred — Asian funders deliberately intertwine them. This isn't because one side is more altruistic than the other, it's simply a different conception of how to achieve development. The underlying logic is that you can do good *and* do well at the same time.

Remember the Marshall Plan? Arguably the West's most successful aid programme, it explicitly rebuilt European markets for American goods while reconstructing Europe. Asian donors take a similar win-win view: development finance and commercial strategy go hand in hand. It's not just theory, either — consider that, from 2013 to 2021, China poured $679 billion into global infrastructure projects through its Belt & Road Initiative, nearly 9 times what the U.S. spent on similar projects in that period. China's overseas financing has been delivered largely via government-to-government loans aimed at roads, railways, ports and power plants, expanding its influence while building partner countries' infrastructure. The scale is immense, but the principle is straightforward: these investments are intended to benefit both the recipient nation and the donor's geopolitical and economic interests.

Learning this "economic diplomacy" mindset is my first piece of advice when approaching Asian donors entirely. Begin by reframing proposals to *highlight mutual benefits*, not in a pandering way, but authentically identifying how a project could create value for the donor country as well as the beneficiary community. For instance, when pitching an agricultural value-chain project to the Thailand International Cooperation Agency (TICA), your team should emphasise how the project could help expand markets for Thai rice exports (a clear interest of Thailand) alongside improving local food security. By the same token, a water infrastructure proposal to the Indonesian Agency for International Development (Indonesian AID) should include partnerships with Indonesian engineering firms and a technical training component for local staff. With this simple mindset shift, proposals that would have been politely ignored in a traditional aid context suddenly gain real traction once they speak to *both* development impact *and* economic partnership.

Five strategy shifts for engaging Asian donors

Based on my experience straddling both Western and Asian funding worlds, here are five strategic shifts organisations must make to win over Asian donors:

Lead with relationship-building, not proposals. Don't rush straight into writing a 40-page proposal. With Western donors, you often build relationships through the formal bidding process. With Asian donors, you need the relationship before the proposal. Invest time in getting to know the donor's representatives, attending their events, visiting their embassies or aid agencies, and understanding their priorities. This phase can last months or even years. Patience and trust-building are not add-ons; they are prerequisites.

Align with economic and trade diplomacy. Do your homework on what the Asian donor country seeks to achieve internationally. Are they pursuing new trade partnerships in Africa? Investing in certain industries or technologies? Expanding cultural or diplomatic influence in your target region? A funding pitch will resonate far more if it aligns with the donor country's broader economic and foreign policy objectives. Your initiative should be positioned as helping advance their goals (while still achieving your development objectives, of course).

Frame proposals around mutual benefit. A Western donor proposal might focus almost entirely on the benefits to the target community or country. When appealing to Asian donors, make it a partnership narrative. How will the project also create value for the donor country or facilitate a win-win outcome? This could mean anything from boosting bilateral trade, to showcasing the donor's technology, to strengthening cultural ties. This isn't about compromising your mission or turning projects into business ventures; it's about framing your work as a collaboration rather than charity. The most successful pitches I've seen make the donor feel like a true partner in the impact, not just a check-writer.

Incorporate technology and knowledge exchange. Many Asian donors, having rapidly industrialised themselves, put a premium on technology transfer and capacity building. They want to fund projects that share their expertise and innovations. Hence, wherever relevant, design your programmes to include training, technical exchange, or pilots of the donor's technology. For example, if your organisation is developing a water management project proposal targeting Indonesian support, your team should make sure to include Indonesian tech firms in the design and a knowledge-exchange component with Indonesian engineers. A similar proposal aimed at a Western donor might have focused more on community participation and governance frameworks; for the Indonesian government, highlighting technical exchange and local enterprise involvement made all the difference.

Align with their development narrative. Every major Asian donor has a development narrative rooted in its own history. Japan often emphasises quality infrastructure and human security, reflecting how it rebuilt its economy. South Korea focuses on education, technology, and "knowledge sharing" from its transformation story. China speaks of connectivity and lifting living standards through infrastructure. Understand how your target donor views development success, and mirror that narrative in your engagement. Reference their own journey subtly in conversations and concept notes ("Just as South Korea leveraged technology to drive development, we see an opportunity to…") to show that you "get" their perspective. This alignment isn't just flattery — it demonstrates respect and strategic awareness of what that donor believes works in development.

Respect different development paths

Beneath all these tactical shifts lies a deeper principle: *respect for different development pathways.* One pitfall I've observed is that Western-oriented organisations sometimes — consciously or not — project an air of "we know best" when dealing with non-Western donors. It's easy to default to the values and approaches we're used to. But implying that Asian funders should adopt Western standards or priorities can be patronising and even offensive. You might not say it outright, but it can seep through in how you write proposals or conduct meetings, for example, by over-emphasising governance and lectures on best practices while downplaying the donor country's own experience and priorities. This could *backfire* — donors quickly lose interest or even take offence when they sense their perspective isn't respected.

Adapting to Asian donors doesn't mean abandoning your organisation's values or mission. It means engaging with genuine curiosity and humility about *their* viewpoint. These countries have their own proud track records of reducing poverty and building prosperity, often achieved with different models than the West. By showing you respect those models — even when they diverge from the traditional aid doctrine — you lay the groundwork for mutual understanding. In practical terms, listen more than you talk in early engagements. Ask about the donor's priorities and constraints. Acknowledge the strengths in their approach. This cultural respect is not just nicety; it's the foundation for a trusting partnership.

A new playbook for donor engagement

The rise of Asian donors is both a challenge and an opportunity for the global development community. Organisations that keep using the same old playbook crafted for USAID or Europe will increasingly find themselves shut out or left chasing dwindling funds. By contrast, those willing to adapt can unlock significant new funding streams and forge truly symbiotic partnerships. Asian funders collectively provided tens of billions of dollars in development assistance last year, and their influence is only growing. This is a tide that's not going to recede.

It's time for every fundraising and business development team to take a hard look at their strategies. I strongly encourage organisations to conduct a thorough audit of their donor engagement approach and *build a distinct strategy for Asian donors* instead of a one-size-fits-all model. This could mean reshaping your internal incentives to prioritise relationship-building, even if it doesn't yield immediate revenue this quarter. It likely means retraining staff on different proposal formats and negotiation tactics, and bringing in new talent or advisors with experience in Asian development finance. In some cases, it may require revamping project designs to include components (like co-financing arrangements or policy partnership elements) that you might never include for a traditional donor.

Most of all, it requires leadership to embrace a new mindset: one that sees donors not as just "funding sources" to cater to, but as *partners with their own development journeys and goals.* By approaching Asian donors with an open mind and a willingness to learn, you're not just positioning your organisation to secure funding — you're positioning it to be part of the next wave of development innovation that these new powerhouses are leading.

The future of development finance will increasingly be shaped in Beijing, Seoul, New Delhi, and beyond. Organisations that understand and respect how those cities approach development will thrive. They will not only tap into new funds, but also create more effective and culturally attuned programmes. Those that cling to the old playbook will find it an uphill battle as the traditional wells continue to shrink.

The message is clear: *the funding landscape has changed, and our approach must change with it.* Adapt now — recalibrate your strategies, invest in building the right relationships, and embrace a broader definition of "development partnership." Do this, and you won't just survive in the new era, you'll flourish. The playbook of the past is closing. The next chapter of your fundraising strategy might start by looking East.

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The Impact Catalyst

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