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The Modern Aid Effectiveness Agenda: Country
Ownership, Mutual Accountability, and a Meaningful Way
Forward



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Acronyms

AAA Accra Agenda for Action
ABC Brazilian Cooperation Agency
ACA Anti-Corruption Agency
AMEXCID Mexican Agency for International Development Cooperation
CAO Compliance Advisor/Ombudsman Office
CDF Constituency Development Fund
CDRF Capacity Development Result Framework
CGAO General Coordination of Administration and Budget
CGCB General Coordination of Bilateral Technical Cooperation
CGCM General Coordination of Technical Cooperation Multilateral
CGPD General Coordination of Technical Cooperation among Developing Countries
CSO Civil Society Organizations
DAC Development Assistance Committee
EBRD European Bank for Reconstruction and Development
ICAC Independent Commission against Corruption
ICT Information and Communication Technology
IE International Enterprise (Singapore)
IEG Independent Evaluation Group
IMF International Monetary Fund
KSP Knowledge Sharing Program
MA Mutual Accountability
MDG Millennium Development Goal
MIGA Multilateral Investment Guarantee Agency
MUHURI Muslims for Human Rights
NIS National Integrity System
OECD Organization for Economic Co-operation and Development
OGP Open Government Partnership
OGWH Open Government Work Hub
PACDE Anti-Corruption for Development Effectiveness
SCE Singapore Cooperation Enterprise

SRE Mexican Secretariat of Foreign Affairs
SSC South-South Cooperation
SSKE South-South Knowledge Exchange
TI Transparency International
TT-SSC Task Team on South-South Cooperation
UDN Ugandan Debt Networks
UNCAC United Nations Convention against Corruption
UNDP United Nations Development Programme
USAID United States Agency for International Development
Walinet Water and Livelihoods Network
WBI World Bank Institute
WP-EFF Working Party on Aid Effectiveness

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Introduction

If donor governments had realized their repeated commitment to provide 0.7% of GNI as foreign assistance,ⁱ the conversation around “aid effectiveness” might be less intense: recipient countries might not be so concerned with the cost and conditions of receiving foreign aid if they were showered with it and both sides of the transaction might worry less about the success of each individual aid program. However, the 0.7% target remains far from reality for most donors: only five Development Assistance Committeeⁱⁱ (DAC) countries (Denmark, Luxembourg, the Netherlands, Norway, and Sweden) out of 25 met this obligation in 2012.ⁱⁱⁱ The gap between the aid promised to achieve the 0.7% target and actual aid delivery stood at a staggering \$174.7 billion in 2012 alone, representing over half of total pledges. In the face of the recent financial crisis, mounting political pressure, and an ever-expanding international bureaucracy, donors are increasingly failing to meet their financial obligations while the administrative costs borne by aid-receiving countries alone reduce the attractiveness of what assistance they do receive. At the same

time, the number of aid providers has mushroomed, imposing a huge administrative burden on aid-receiving countries, as each donor has its own planning, decision-making, monitoring, and auditing requirements. Thus, aid “effectiveness” has been a major concern of donors, recipients, and the international community at large for over a decade.

For poor countries receiving foreign aid,^{iv} its effectiveness is essential for the achievement of stable and sustainable economic development; capacity and infrastructure building; and the general augmentation of welfare. For donor countries, questions surrounding the significance and priority of funding strategic, effective projects aligned with their own expertise and interests must be addressed. Subsequently, the last decade has witnessed a steady attempt at building international consensus around the technical and empirical processes crucial to increased aid effectiveness.

“The number and weight of countries and organizations active in international

development is increasing very substantially.”^v In addition to traditional^{vi} bilateral relationships, the rise of non-DAC donors, well-moneyed foundations, the private sector, and an explosion of civil society actors has contributed to an aid effectiveness agenda in flux. In addition, new aid effectiveness modalities emphasizing non-traditional^{vii} donor/recipient relationships have arisen to combat the longstanding top-down model of aid provision prevalent since the end of WWII. “There is therefore a strong logic to building a wider and more structured consensus around aid effectiveness, covering all key stakeholders.”^{viii} Subsequently, beginning in the early 2000’s, development agencies began to emphasize service delivery imbued with greater...partnership [with] and accountability to the poor.^{ix} Achieving such a fundamental paradigm shift – away from the longstanding donor-centric approach to foreign aid and development in general - means instituting change in the nature of relationships between individual development professionals, their organizational headquarters, and

counterparts in the government and local community. “It also implies similar relational shifts between [the development] agency, its funders, partners,”^x and the poor.

On the ground, the reality of aid and its effectiveness is not as simple as emerging theory might suggest: in this arena, policy and practice often stand in stark contrast to one another.

However, if the evolving international aid architecture hopes to significantly influence global poverty reduction; strengthen country capacity and infrastructure; or provide for the welfare of the developing world’s citizens; it must be infused with a heavy dose of pragmatism and momentum – and soon. On the ground, the reality of aid and its effectiveness is not as simple as emerging theory might suggest: in this arena, policy and practice often stand in stark contrast to one another. As authors Groves and Hinton maintain, “The words of the new agenda are abstract and idealistic...The language and ideas of the new agenda have been introduced, but

corresponding changes to underlying behaviors and organizational procedures at different levels are slow in materializing. What development agencies say, the language they use, and the policies they propose, are still out of alignment with what they do.”^{xi} Consequently, the way forward for the aid effectiveness agenda involves translating the international community’s stated commitments into actionable endeavors.

Operating at a critical juncture between

governments, multilateral organizations, funders, and aid’s intended recipients, civil society organizations^{xii} (CSOs) are uniquely placed to influence the evolving aid effectiveness agenda, both at the country and international level. This paper will therefore attempt to analyze the current aid effectiveness arena with a view at providing advocacy talking points, recommendations, and points of intervention to support CSO stakeholders in influencing the burgeoning aid effectiveness agenda.

Section 1: Bilateral Aid Relationships

Introduction

Critics of foreign development assistance and stakeholders concerned with augmenting its effectiveness habitually cite two key concerns about the current arrangement of international aid architecture. Firstly, and perhaps most importantly, detractors point out that the international agenda exists in a constant state of disorder and chaos.^{xiii} Over the past few decades, hundreds if not thousands of new aid providers have entered the market, their competing agendas and priorities now

battling for space and influence “in poor countries that are [already] administratively and financially swamped by donors hungry for information, plans, reports, and success stories.”^{xiv}

For instance, civil society secretariats (NGOs) with transnational operations number nearly 20,000 globally.^{xv} In

addition, the number of bilateral donors has exploded from a handful in the mid 1940’s to nearly 60 today, creating political and often “market-like competition for aid and development projects.”^{xvi} The World Bank Group estimates “that the average number of donor nations for every one developing nation has risen from 12 in the 1960’s to about 33 in the 2000’s.”^{xvii} Moreover, many bilateral donors also contract their development funds to NGOs, other CSOs, or multilateral organizations like the United Nations Development Programme (UNDP), for project management, further complicating attempts to streamline the aid delivery process. The current aid effectiveness agenda has arisen from the intensification of evidence that international aid agencies, which include stakeholders as diverse as governments; multilateral

The current aid effectiveness agenda has arisen from the intensification of evidence that international aid agencies, which include stakeholders as diverse as governments; multilateral organizations; foundations; civil society organizations; and even the private sector, are constantly working at cross-purposes, wasting resources and diluting the effect of their support in the process.

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Moreover, critics argue that traditional, Western aid providers have long confined recipient countries' autonomy and policymaking options by attaching stringent conditions in return for financial assistance. Donors often harshly define spending priorities, requiring that recipient countries alter social or economic policies in return for support (i.e. the structural adjustment programs of the 1980's). "Critics argue that imposing policies, sequences of reforms, and spending priorities has done more harm than good, overriding national sovereignty, damaging democracy, and displacing local concerns and solutions."^{xviii} While donors increasingly recognize the need for reforms to international aid architecture to alleviate these dual issues of "chaos and conditionality," recent attempts to consolidate development coordination efforts or reform the international development cooperation architecture (discussed later in this section) have not been successful. "Partly as a result, a solution long proposed by a critical minority is now winning significant support, including from donors."^{xix}

Instead of relying on Western patrons to institute large-scale reforms to the international aid system, the recent emphasis on *country ownership* advocates for a scheme in which recipient governments establish their own national systems for managing and coordinating donors, accepting only that aid which accords with their own terms and policies.^{xx} "This emerging consensus was codified in the 2005 Paris Declaration on Aid Effectiveness...[which adopted] ownership as the key pillar of a new aid paradigm, proposing a shift away from donor fragmentation and externally imposed conditionality."^{xxi} Instead, country ownership encourages donors to align their efforts with recipient governments' own development strategies and administrative systems,^{xxii} utilizing country ownership to undergird imperatives like the "harmonization" or "alignment" of aid (see box 1.1), in line with recipient country values and developmental goals.

Thus, "the tie binding the interests of donors and recipients is supposed to be a grand bargain:

donor nations agree to honor their pledges to provide aid funds on time, while recipient nations agree to honor their pledges to make reforms, integrate aid flows into their budget planning processes, and track the outcomes of aid programs.”^{xxiii} However, as the following section details, the recent emphasis on country ownership may not be empirically sound: historical power imbalances, the politicization of aid, and the focus on the state as the primary actor in donor-recipient relationships all impinge on the ability of the current aid effectiveness agenda to utilize country ownership to promote aid effectiveness on the ground.

Bilateral Aid Relationships and the “Traditional” International Aid System

Historically, the majority of international aid has been bilateral, constituted by a direct provision of funds from one government to another (donors also provide aid as multilateral assistance by pooling together funds from multiple donors – see more in section).^{xxiv} This traditional international aid system was conceptualized out of the massive destruction of WWII, when the United States utilized its “Marshall Plan” funds to help rebuild a decimated Western Europe, aiming to integrate the region’s economic future and stave off the possibility of further bloodshed. From its inception, the international aid agenda has been characterized by donor-centrism: in the real world of foreign assistance, a wide span of motivations exist, only some of which are immediately linked to economic development. “There is little question that foreign policy and political relationships are the most important determinants of aid flows.”^{xxv}

For instance, an oft cited example of aid provision for the purposes of political jockeying is that of the Cold War, during which the United States and the Soviet Union used foreign assistance “to vie for the support of developing countries with little regard as to whether the aid was actually used to support development.”^{xxvi} The conclusion of the Cold War may have also helped shift the balance of power *towards* donors as recipient governments were no longer able to rely on Cold War politics to pit donors against one another for their own advantage. Concurrently, however, the closing of the Cold War eliminated a degree of *realpolitik* from donor activities.^{xxvii} As Groves et al. rightly state, “While it is true that aid budgets were cut, the aid that remained began to take its job more seriously. There was a new opportunity to consider the purpose of

aid and to develop a shared goal of improved global well-being and the elimination of poverty.”^{xxviii} Subsequently, after a period of rapid decolonization in the 1950’s and 60’s and the closing of the Cold War in the late 1980’s and early 1990’s, the dialogue around international aid began to move further towards the alleviation of poverty and the promotion of development and capacity-building.

With the shift away from the traditional “sphere of influence” model of aid provision that had been the standard throughout the colonial and Cold War periods, foreign assistance was directed increasingly based on need. “It is against this background that the international aid effectiveness movement began taking shape in the late 1990’s.”^{xxix} Donor governments and aid agencies realized for the first time that the diversity inherent in their methods, conditions, and reporting requirements imposed immense transaction costs on developing countries in terms of funds and resources; created countless redundancies; and subsequently made the assistance they provided less effective. In the early 2000’s, a multitude of stakeholders in the foreign assistance arena came together to begin the process of harmonizing their work and improving its impact.^{xxx}

Though “aid effectiveness” has been a common talking point for half a century or more, the modern movement truly began in 2002 at the International Conference on Financing for Development in Monterrey, Mexico when the international community, including stakeholders from the developed and developing world, agreed on the need to increase funding for development – but, for the first time, also “acknowledged that more money alone was not enough.”^{xxxi} Donors and developing countries alike codified in the Monterrey Consensus the desire for increased aid *effectiveness*: a new paradigm of aid as a partnership, rather than a one-way relationship characterized by a trickle down of funds from donors to recipients, was evolving.^{xxxii} In 2003, aid officials and representatives of donor and recipient countries gathered in Rome for the High Level Forum on Harmonization. At this meeting, convened by the Organization for Economic Co-operation and Development^{xxxiii} (OECD), donor agencies committed to work with developing countries to better coordinate and streamline their activities

at the country level. They agreed to analyze progress before meeting again in Paris in early 2005.^{xxxiv}

The Paris Principles: Aid “Effectiveness” Since 2005

That year, at the Fourth High-Level Forum on Aid Effectiveness, the Paris Declaration on Aid Effectiveness was endorsed by 56 stakeholders, including a multitude of donor governments, a small number of recipient governments, and a few international NGOs. Citing five tenets (ownership, alignment, harmonization, managing for results, and mutual accountability^{xxxv} - see boxes 1.1 and 1.2), which undergirded the Declaration as “a practical, action-orientated roadmap to improve the quality of aid and its impact on development,”^{xxxvi} the Declaration was touted as a “major breakthrough in improving aid effectiveness, tackling issues that have hampered development for decades.”^{xxxvii}

The current aid effectiveness agenda - set out in the Rome (2003) and Marrakech (2004) Declarations; revisited in Paris (2005); and forming the basis for both the Accra Agenda for Action^{xxxviii} (AAA) and the Global Partnership for Effective Development Cooperation^{xxxix} - aims to reform the current international architecture and is derived from these supposedly universal and unbiased principles.^{xl} However, the Declaration and its associated monitoring instrument were drafted by the OECD’s Development Assistance Committee, a consortium of “rich” countries who deal with development financing issues, with input from only a handful of donor states and even fewer CSO representatives. Accordingly, the Paris Principles are often criticized for reflecting, intentionally or otherwise, the developed world’s perspective on the current state of aid “effectiveness,” including gaps, synergies, and meaningful ways forward.

Paris Principles for Aid Effectiveness

Box 1.1

- The Paris Declaration’s first emphasis, **(ownership)** “commits the development community to ‘respect the right – and responsibility – of the partner country itself to establish its development agenda, setting out its own strategies for poverty reduction and growth’.”^{xli}
- The second tenet **(alignment)** requires donor governments to “align their development assistance with the ‘development priorities and results-oriented strategies set out by the partner country’ and to ‘progressively depend on partner countries’ own systems’ (for example, for financial management, [etc.]), while stressing that partner countries should strive to improve them.”^{xliii}
- The third imperative **(harmonization)** refers to cooperation between donors to improve the efficiency of aid delivery, largely through the reduction of transaction costs^{xliii}.
- Subsequently, the fourth mandate **(managing for results)** reroutes the focus of aid effectiveness to the benefits derived from it, away from an analysis based on inputs or outputs alone. This principle involves using information about results to systematically improve decision-making and strengthen performance.^{xliv}
- The final element **(mutual accountability)** recognizes that, in order to form a true partnership, there must be reciprocity of accountability between donors and recipients, with each stakeholder accountable to the other for their own commitments **(discussed further in section two)**.^{xlv}

Box 1.2

The Paris Principles in Action



Aid Effectiveness of Aid Efficiency?

According to the Paris Principles, which form the basis for the modern conversation around aid effectiveness and development cooperation, the rationale for reforms to the international aid architecture lies in the reduction of poverty, the enhancement of wellbeing, and the attainment of internationally agreed upon poverty-reduction goals including the Millennium Development Goals^{xlvi} (MDGs). In seeming contrast, however, the Paris agenda focuses, not on the empirical triggers for effective poverty reduction, but rather “institutional reforms in government for a more

effective and efficient aid system, with the...assumption that government actions alone will reduce poverty.”^{xlvii} Although intended to enhance aid effectiveness, the Principles may have precipitated a shift in focus from the impact of aid on development to the technical aspects of managing aid.

“Development efforts seem to be distracted by the processes and mechanisms of aid delivery rather than being directed towards improving people’s lives^{xlviii}.” As the report on aid effectiveness from the NGO Reality of Aid’s 2008 report summarized: “The [Paris] Declaration has not fundamentally changed the reality of aid relationships. The principles are in practice limited to technical issues of aid management rather than to successful development policy-making.”^{xlix} In summation, the Paris agenda does not really measure aid *effectiveness*, but aid *efficiency*: it is designed to consider bureaucratic processes, but not the actual impact of aid on poverty reduction, capacity-building, and real-world development.

Hampering the Aid Agenda: Politics and Bureaucracy

The Paris Declaration essentially proposes a bureaucratic solution to a political problem. As Chandy rightly notes, “certainly, most of the inefficiencies in today’s aid system are manifested as bureaucratic failings (uncommon arrangements across aid agencies; red tape and the so-called [counter-bureaucracy](#); insufficient authority for donors’ country-based staff versus those at headquarters, etc.) and a number of useful bureaucratic innovations have been advanced to improve aid’s impact (online data portals to report and track aid flows; standardized

Although intended to enhance aid effectiveness, the Principles may have precipitated a shift in focus from the impact of aid on development to the technical aspects of managing aid.

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assessments of procurement and public finance systems, etc.). But many of the underlying causes of aid inefficiency concern politics and the incentives these create for determining aid allocations and modalities (using aid to support non-development objectives; extreme aversion to institutional risk versus the risk of development failure; short-termism, etc.) which donor agencies have been largely unable to resolve.”ⁱ Despite sometimes altruistic intentions, few government or aid agency heads truly possess the domestic political backing, or the support of a governing board in the case of multilateral agencies, to deliver on the Paris commitments.ⁱⁱ

In addition, “donor motivations for aid, at least as revealed by regressions of their country aid allocations, show that political and strategic considerations are still remarkably important determinants of their behavior, compared with country need and the success of policies.”ⁱⁱⁱ

Bilateral aid is, by its very nature,

often deliberately allocated to

reinforce the economic interests of

specific firms or sectors in the

donor country. Many bilateral

donors “tie” foreign assistance by

mandating that certain goods and

services be purchased from firms

in the donor country, or that it be used for specific purposes that support groups in the donor countries (i.e. universities or consulting firms).^{liii}

Bilateral aid is, by its very nature, often deliberately allocated to reinforce the economic interests of specific firms or sectors in the donor country

Tying aid can intensify domestic political backing for foreign assistance, but it can also make that support more costly and less effective. If funds are required to be spent in the donor country, competition for services is reduced and therefore donors rarely use the most cost effective provider.^{liv} For example, the United States requires that food aid funded by the U.S. government be purchased in the U.S. and shipped via U.S. carriers to recipient countries, which is often much slower and more expensive than if food was procured in a neighboring country

instead. Subsequently, recipient countries often lose between 15-20% of the value of allocated aid.^{lv}

After widespread calls by the international community for the unequivocal “untying” of aid, donors have begun to reduce the amount of aid that they tie, but the practice is still prevalent. The United Nations reported that as of 2012, an estimated 85% of aid given by DAC donors is untied, however, the huge variance by country (from 100% untied in Australia, Norway, and the U.K. to merely 11% in Portugal^{lvi}) demonstrates the continuing discrepancies between the motivations of donors. Thus, as development objectives are clearly not the sole or even main aim of many donors, it is not surprising that their aid programs cannot be fully “effective” when judged only against development criteria. As Rogerson succinctly states, “the simple fact that country allocations are so often disconnected from poverty reduction by design, not accident, limits the field of intervention of the Paris agenda. In the extreme case that a donor is allocating aid entirely for the ‘wrong’ purposes, one might want them to be totally ineffectual in doing so.”^{lvii} In addition, even when the funds are disbursed directly in-country, donor governments are allowed to report debt cancellation, spending in their countries on refugees and students from developing countries, and spending on domestic technical assistance by their own service providers as aid.

The Paris Agenda: Focus on Governments

As stated, the Paris Aid Effectiveness agenda focuses largely on the role of governments, minimalizing the contributions of other actors (civil society in particular). The Paris principles, underlined by country ownership, hinge on recipient governments assuming a leadership role in driving greater aid effectiveness at a country level, which many have been unable to do due to their inherent lack of infrastructure, human capacity, technical capabilities, etc. In addition, many governments lack the ability (or the will) to lead a regular dialogue with their donor “partners” to influence donor behavior and further develop collaboration between parties (this is the case for at least 30 to 40 aid recipients that are currently considered fragile states^{lviii}).

In many cases, government officials are easily overwhelmed by the degree of consultation expected by donors to negotiate country programs and to design and monitor individual projects. Meanwhile, state institutions often lack adequate systems and policies to undergird their supposed ownership of the development process, which donors might otherwise be willing to support. In countries suffering from rampant corruption and/or where “the integrity of the government’s planning and budget processes are compromised by patronage, the Paris targets, [especially that of country ownership], seem particularly ill-defined. The notion of the donor community coalescing behind the government’s agenda and lending support to its efforts through additional resources is impracticable in these settings.”^{lix} In addition, as Whitfield maintains, many critics argue that “the contemporary donor promotion of *ownership* is partly a discursive response to criticisms of dominant aid practices, especially the use of conditionality. Donors deploy the term partly because it implies recognition of, and apparent accommodation with, their critics’ position. By claiming the policies will no longer be imposed on unwilling recipients, donors are reaching for a renewed legitimacy for their activities.”^{lx}

A Diversification of Stakeholders: CSOs and the Aid Effectiveness Discussion

An increasingly relevant approach for bridging the gap between the traditional donor-centric aid agenda and the emerging emphasis on country ownership is the growing inclusion of civil society in the aid effectiveness discussion. In international development, when operating at their most efficient, CSOs can mobilize resources and build international relationships in conjunction with the efforts of poor and marginalized people to claim their rights and hold governments accountable. However, in focusing largely on improving the capacities of the state in the poorest countries, the Paris Declaration reforms ignore the role of citizens and CSOs as development actors in their own right, many with a long history in organizing economic, social, and political initiatives with and on behalf of the poor.

“Citizens of developing countries, and particularly people living in poverty and the marginalized, must participate in and determine the priorities for development policies. Their concerns are not

necessarily captured by donor-managed ‘blueprints’ for poverty reduction,^{lxii} such as PRSPs.^{lxii} Most CSOs welcome the role of aid in strengthening of Southern governments in poor countries to meet their human rights obligations for health care or education for their citizens. But they suggest that a truer measure of aid effectiveness should be how aid resources actually affect the conditions that sustain dehumanizing poverty and inequality. Unfortunately, the Paris Declaration objectives and assessment indicators for donor commitments do not directly address this question, instead focusing on the reform of bureaucratic and technical frameworks for aid management.^{lxiii}

The centrality of CSOs in building democratic culture and promoting development alternatives straddles the line of a narrow interpretation of country “ownership” in the Paris Declaration. While civil society is largely missing from the Declaration and its principles, the assumption that civil society can be simply subsumed under the Declaration’s principles and commitments may undermine key conditions that make CSOs effective development actors.^{lxiv} The true strength of CSOs operating in the development arena is their ability to span the divide between advocacy at a national or international level (informed by in-country experience) and extensive service delivery in the field. Though there still exist cases where civil society operates under precarious circumstances (for instance, in conflict zones or countries headed by repressive regimes), CSOs still have an important role to play. “Without any doubt, ‘the road from Accra to Busan^{lxv} has been an eventful one for civil society. Recognized at the Third High-Level Forum in Accra in 2008 as ‘development actors in their own right,’ CSOs...broke new ground in 2009 as full participants in the post-Accra Working Party on Aid Effectiveness and in the 2011 negotiations for the Busan Global Partnership for Effective Development Cooperation. These experiences of CSO inclusion represented a profound and meaningful shift in power relations in multi-stakeholder civil society diplomacy.”^{lxvi} Though the addition of CSOs as equal stakeholders in the aid effectiveness discussion remains in its infancy, enlightened by in-country experiences and anecdotal evidence, CSOs can be a powerful tool to inform the often-disconnected international community of the on the ground realities of aid provision. With the overwhelming emphasis on the bureaucratic and technical processes inherent to the Paris Declaration, CSOs

have an increasingly important role to play in bringing people-centered development back to the international agenda.

Key Takeaways for Civil Society

- The current aid effectiveness agenda has arisen from the intensification of evidence that international aid agencies, which include stakeholders as diverse as governments; multilateral organizations; foundations; civil society organizations; and even the private sector, are constantly working at cross-purposes, wasting resources and diluting the effect of their support in the process.
- “The words of the new agenda are abstract and idealistic...The language and ideas of the new agenda have been introduced, but corresponding changes to underlying behaviors and organizational procedures at different levels are slow in materializing. What development agencies say, the language they use, and the policies they propose, are still out of alignment with what they do¹.”
- The Paris Declaration essentially proposes a bureaucratic solution to a political problem and has not fundamentally changed the reality of aid relationships. “The [Paris] principles are in practice limited to technical issues of aid management rather than to successful development policy-making¹.”
- The true strength of CSOs operating in the development arena is their ability to span the divide between advocacy at an international level, informed by in-country experience and service delivery in the field.

Section 2: Mutual Accountability

Mutual Accountability is Still a Worthwhile Goal

Mutual Accountability (hereafter, MA), one of the aforementioned Paris principles, is a relatively recent attempt at strengthening aid effectiveness through reforms to the top-down, donor-centric approach to aid management and disbursement. Materializing from the 2002 Monterrey Consensus on Financing for Development, more specifically the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, in the simplest sense, MA is a voluntary process that attempts to create a more equal partnership between donors and recipient governments. Through the establishment of shared values and commitments,^{lxvii} both parties create mechanisms for transparency and accountability to build mutual trust.

Mutual accountability “refers to the partners’ understanding, commitments, and obligations... [to] acknowledge that achieving the international[ly] agreed [upon] development goals, including the MDGs, demands a new [kind of] partnership between developed and developing

countries. [At the same time,] respective Heads of States commit themselves to sound policies, good governance, and the rule of law at all levels.”^{lxviii} Addressing the unequal power balance in aid relationships as well as the lack of trust between both parties is understood as essential for the formation of mutual confidence and accountability. Attaining a strong level of MA globally mandates the purposeful and collective work of all stakeholders; including donors, CSOs, and recipient countries.

According to the OECD, MA mechanisms can be seen as drivers of change at the national level,^{lxix} empowering and including recipient countries in the aid management process as well as holding donors accountable for the aid they give and its eventual results, but according to the 2013 MDG Gap Task Force Report, work to implement MA commitments is still very much in its infancy. The report also acknowledges that there has been some progress at the country level, but that a multilateral forum to foster MA “with

universal membership and multi-stakeholder participation has yet to emerge.”^{lxx} However, the creation of the UN Development Cooperation Forum (DCF) was very important in the move towards strengthening mutual accountability as it has served as an “inclusive multi-stakeholder forum, fostering dialogue and knowledge-sharing through global and regional expert group meetings on MA.”^{lxxi} Nonetheless, the MDG Gap Task Force Report, as well as many other publications discussed throughout this section, concludes that much work remains to ensure that MA implementation is strong and effective.^{lxxii}

Progress related to MA has been inadequate and is still one of the weakest areas of implementation of the Paris Declaration and the AAA.^{lxxiii} Therefore, this section attempts to understand why MA has dominated the aid effectiveness conversation for ten plus years and

Progress related to MA has been inadequate and is still one of the weakest areas of implementation of the Paris Declaration and the AAA.¹

endeavors to answer the question: should the international development community continue to work towards mutual accountability? There has been extensive debate on successes and lessons learned; preferred mechanisms; the strengths and weaknesses of MA frameworks; and progress towards accountability and transparency, but the reality of implementation at a global level remains distant. While this report does not comprehensively cover the accomplishments and failures of MA, it will provide a brief look at what has been successful; what has not worked; and at attempts to analyze best practices for future advocacy efforts.

Focus on MA remains relevant to the international aid community because of its potential as a transformative tool in the evolving aid architecture arena: its effective implementation will ultimately have a positive impact on reducing poverty and strengthening recipient country capacity.

Three components of MA (accountability, transparency, and capacity building) remain especially important due to their potential to mutually reinforce or undermine one other. These three components also have the ability, if effectively implemented, to bring

Accountability

Accountability, obviously a major component of MA, is multi-directional in that it attempts to make donors and recipients accountable to each other while also emphasizing their responsibility to constituents.^{lxxiv} This idea stands in stark contrast to “traditional” bilateral accountability where recipient governments were accountable to donors for the accounting and results of the aid, but had little if any redress to demand the same from donors.^{lxxv}

Accountability should be understood as a straightforward process that attempts to address problems or weaknesses in aid relationships before they occur, rather than acting as a reactionary mechanism when problems arise. In order to work effectively, this process needs to include discussion among a wide range of stakeholders, including local governments and specifically

positive change to donor/recipient aid relationships, the balance of power in those relationships, and the ability of recipient governments to increase their capacity to manage the aid process effectively.

excluded communities, before policy decisions are made. In several countries, CSOs are becoming more involved in the monitoring of this process, specifically in the aid effectiveness arena.

CSOs and MA

CSOs have the potential to become an integral part of effectively-implemented MA frameworks. As non-state/non-donor, independent stakeholders, CSOs can monitor the implementation of MA by both donors and recipients and simultaneously motivate citizens to hold their governments accountable for achieving development objectives.^{lxxvi} Currently, international aid architecture is still very much geared toward traditional North-South^{lxxvii} donor-recipient relationships (as discussed in section one), but pressure from civil society has the potential to encourage realignment geared towards inclusive multi-stakeholder led development at the local level. The 2014 Global Survey undertaken by the Department of Economic and Social Affairs (DESA) with UNDP^{lxxviii} in conjunction with the United Nations Development Programme found that CSOs were more likely to be involved in national mutual accountability forums than any other category of international development stakeholder, suggesting that civil society has had some success at influencing the implementation of mutual accountability at the national level.

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The Agency Coordinating Body for Afghan Relief & Development (ACBAR), which functions as an advocacy umbrella organization for local NGOs working within Afghanistan, provides a salient example of this process. In its function as a coordinating body, ACBAR seeks to promote accountability, inclusion of civil society, and cooperation with all development stakeholders.^{lxxix} In addition, ACBAR has conducted independent reviews of donor performance and aid effectiveness within Afghanistan, which were then disseminated to relevant stakeholders.^{lxxx}

Similarly, the NGO Forum in Cambodia was able to organize a “CSO Forum on Aid” event that provided donors with the opportunity to publicly account for their aid programme.^{lxxxix}

Civil society has also increasingly played a role in holding governments accountable for their performance (two relevant examples include CSOs in Malawi who track and report on budget activity and the Tanzanian media’s critical role in bringing national attention to a banking scandal, which resulted in the resignation of a number of government officials).^{lxxxix} However, while positive examples of civil society’s involvement in holding both donors and recipient government countries accountable are beginning to emerge, on a larger scale this process still remains limited.

Challenges to the Effective Implementation of Mutual Accountability

One of the primary weaknesses of implementing MA mechanisms is that they are plagued by the very problem MA aims to correct, namely the skewed balance of power between donors and recipients (as previously discussed in section one) and the lack of concrete enforcement mechanisms. The main drivers of change within MA frameworks are “soft” measures that use reputational risks and peer pressure to encourage compliance, especially from donors.^{lxxxiii} Conversely (and problematically), when recipient governments do not meet stated commitments (in reporting, etc.) they often face harsh consequences from donors, for instance sanctions in the form of withholding aid.^{lxxxiv} A report from British think tank ODI (Overseas Development Institute) agrees, adding that the success of MA is critically dependent on “the existence of credible incentives or sanctions for both donors and governments to fulfill obligations.”^{lxxxv} Spaces created for dialogue, debate and negotiation are crucial to the MA process as they are integral to defining and reviewing progress as well as establishing trust and providing incentives to carry out commitments.^{lxxxvi}

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When it comes to enforceability, the reality is that “soft” incentives will not always be enough to encourage relevant parties to meet their commitments. In cases such as these, other types of enforcement and incentive options are required to ensure compliance. In DESA/UNDP’s 2014 draft on the Third Global Accountability Survey on Mutual Accountability, several recipient governments identified “setting targets for providers and holding them accountable” as a continuing challenge.^{lxxxvii} While there are donors who are experimenting with aid modalities that

move away from program conditionality and focus more on providing incentives based on results achieved, the options available are fewer for recipient countries.^{lxxxviii}

Ineffectiveness or lack of MA implementation can also stem from the competing goals or interests of donors agencies and recipient government ministries. “Aid agencies have different mandates, report to different constituencies, and operate with differing degrees of flexibility at the country level. All these factors may constrain the aid instruments they use.”^{lxxxix} Further, they have different perspectives on aid and different attitudes to risk, including the risks associated with providing aid on the basis of trust alone rather than proceeding with complete donor oversight. In the eyes of donors, moving towards using recipient government systems of accountability (both in terms of reporting and monitoring) is a very real and large risk. It is important to note that recognizing the need to integrate accountability mechanisms into recipient government systems is still a far cry from implementation. In summation, “although [a] spectrum of aid agencies (along with partner governments) signed...the Paris Declaration, there are significant differences in how it is interpreted.”^{xc}

In addition, the power imbalance described above extends beyond bilateral donor/recipient relationships and can also include non-traditional development stakeholders such as civil society, South-South relationships, etc. (discussed further in this section and in section four). There has been focus put on creating “enabling environments” for civil society to function at the local and country level in recipient countries. This includes “government policies and legislation that directly affects CSOs, and the consistency of these laws and regulations with agreed international rights: freedom of association, freedom of peaceful assembly, freedom of expression, the right to operate free from unwarranted state interference, the right to communicate and cooperate, the right to seek and secure funding, and the state duty to protect.”^{xcii} However, as discussed in Box 2.1 below, it is still too early to assess progress regarding the creation of enabling environments.

The OECD/UNDP Making Development Co-operation More Effective: 2014 Progress Report provides recommendations to realize such an environment, for example “developing a common understanding on what has to be done to promote an enabling environment for civil society, and investing resources to generate primary data on CSO environment to show accurate and comparable information across countries and promote meaningful dialogue on the CSO enabling environment within the Global Partnership for Effective Development Cooperation.”^{xcii}

Box 2.1 – Civil Society Ownership and Results of Development Cooperation^{xciii}

Indicators	2015 targets	State of implementation
Indicator 2. Civil society operates within an environment that maximises its engagement in and contribution to development	<i>Continued progress over time</i>	<i>Too early to assess progress</i> – further thinking needed on measurement due to data limitation. Mixed picture with evidence of positive examples of government efforts to facilitate the work of civil society organisations however, notable challenges prevail in many countries.

What can be done, what is being done, and what should be done?

Historically, international aid architecture has empowered donors (as discussed in section one), leaving recipients without access to the international dialogue and processes impacting their countries. The introduction and acceptance of mutual accountability by both donors and the international community is a major step toward acknowledging that changes are needed, representing the first step towards implementing a set of mechanisms that are designed to ensure accountability to the poor and encourage recipient country-led development.^{xciv} The OECD/UNDP Making Development Co-operation More Effective 2014 Progress Report, acknowledges that engagement of non-state development actors has grown since the Busan High-Level Forum on Aid Effectiveness in 2011, but that the government-centric, North-South structure of international aid architecture largely remains.^{xcv}

In fact, a report tracking the impact of Busan on CSO engagement notes a troubling global trend of disabling country-level environments for civil society participation, largely reverting civil society’s place back to the pre-Busan era (in which CSOs were not formally recognized as

development stakeholders in their own right). The report notes that in the last year alone, “more than fifty restrictive laws have been passed or considered worldwide that would restrict the formation, operation, and funding of CSOs, as well as the right to peaceful assembly.”^{xcvi} While there is recognition of the need for CSO involvement, this is likely to remain an area for improvement and advocacy.

National Accountability Systems: MA in Practice

Bringing ownership of the development process to the national level has the potential to empower and strengthen the relationship between stakeholders. At the national level, adopting “National Accountability Systems [would] move the discussion of governance from the desirable and abstract to the realm of feasible, concrete, and pragmatic actions based on the rule of law. The more the space of accountability is unified around a national system, the easier it is for stakeholders to [unite] around a national project and vision and to [strengthen] their loyalty through repeated transactions.”^{xcvii}

At the global level, there has been some progress made in developing indicators that are focused on accountability, but this process has unfortunately not yet led to a full

Mutual accountability also calls for greater recognition among donors and recipients that they are accountable to their citizens as well as to each other.

implementation of mutual accountability. For that reason, continuous oversight is needed to first ensure that commitments are made, then reviewed and followed up on, which will require the strengthening of global monitoring mechanisms for both donors and recipients.^{xcviii} Equally, if not more important, is the establishment and implementation of domestic accountability measures which require the involvement of both the Parliament and civil society in developing, planning, executing, and monitoring this process at the national level.^{xcix} Mutual accountability also calls for greater recognition among donors and recipients that they are accountable to their citizens

as well as to each other. When policies are implemented with this tenet in mind, recipient governments also continue to gain the trust and legitimacy of their citizens.^c In turn, accountability and transparency mutually reinforce one other: donors should to be held accountable for what they do and do not do, while citizens of recipient countries should ideally have transparency mechanisms in place that put pressure on governments when aid is not used appropriately or effectively.

To illustrate this concept, the 2012 case study report on mutual accountability conducted by the Overseas Development Institute provides an example of donors working in Uganda who undermined effective development by creating an environment characterized by a lack of cooperation and transparency. A group of donors focused on supporting very specific aspects of accountability (i.e. public financial management, elections, etc.). However, they neglected to incorporate a general understanding of what other development actors throughout Uganda were doing so they could work together to make the most impact. As a result, donors who focus on supporting CSOs in Uganda did so in a disjointed manner that resulted in an environment of competition rather than cooperation: CSOs battled one another for funding rather than investigating opportunities for collaboration and knowledge sharing.^{ci}

Local Capacity Constraints: Interview*1

- In Zambia in the early 1990s, two NGOs worked together with a group of officials and teachers within the Ministry of Education to initiate civic education programs that sought to raise political awareness and stimulate civic action among its citizens.^{cii} Together, these NGOs and government officials were able to hold workshops on civil and political rights and created a training program to train others to facilitate workshops that were conducted at the grassroots level. Follow-up surveys found that the civic education activities had a large impact on building “civic knowledge, the promotion of civic values and skill, the expression of political preferences, and civic action, notably voting.”^{ciii} This example highlights the impact that CSOs can have on the local level in recipient countries.
- In Uganda, a group of CSOs have shown they can play an important role in monitoring government budget activities. Donors are crucial in supporting these activities as they provide assistance to strengthen capacity and train local monitors.^{civ} In addition, financial support is essential as CSOs who function as “watchdogs” often deal with one of two dilemmas. Firstly, because of their focus on government oversight, governments are often not willing to provide funding to CSOs. Secondly, in some cases, CSOs decide that it is in their best interest to reject government funding as it has the potential to compromise their independence and perhaps (rightly or otherwise) introduce the appearance of impropriety.^{cv} This is another area where donors have the ability to strengthen their impact, by coordinating and supporting cooperation between development actors at the local level.^{cvi}

Transparency

Within the realm of MA, transparency is multi-faceted. For this reason, it is important to ensure the success of accountability on multiple fronts. For instance, transparency ensures that “decisions and their basis, results, and costs are accessible, clear, and communicated to the wider community so that decision-makers are held responsible.”^{cvi} According to the United Nations Development Programme, “any form of accountability fundamentally rests on transparency. [It] is a pillar of trust, legitimacy, and a powerful strategy for empowering people.

Poor people can claim their rights if they are aware they exist, if processes are transparent enough to understand them, and if they have real access to salient

information. Access to information can lever support in a way that maximizes people’s participation, especially the poor, in democratic and policy making process.”^{cviii}

Recipient governments should also focus efforts on making development cooperation and its results more transparent and readily available at the national level. This can be done through establishing or improving existing information systems that “track flows, quality and results of cooperation; making these up-to-date, accessible and easy to use for all stakeholders (for more on transparency see section five).^{cx} CSOs are an integral part of this process. For example, “civil society has been very important in mobiliz[ing] public opinion and rais[ing] public awareness on [citizens’] rights. Many organizations have generated broad-based mobilization, creating bottom-up demand to hold decision makers accountable.”^{cx}

As a key development stakeholder, CSOs have the ability to function as a “watchdog” within the MA model, guaranteeing that donors and recipient governments continue to prioritize their commitments to transparency and accountability.¹

Civil society also has the ability to play a crucial role in ensuring that transparency is at the forefront of both donors and recipient governments' minds. As a key development stakeholder, CSOs have the ability to function as a "watchdog" within the MA model, guaranteeing that donors and recipient governments continue to prioritize their commitments to transparency and accountability.^{cxii} When government transparency is effectively supported by CSOs, particularly those in developing countries, information can be used to mobilize citizens and hold decision makers accountable for their spending priorities, management of funds, etc.^{cxiii}

CSOs as Watchdogs, Calling for Government Transparency: Case Studies

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Capacity-Building

As previously discussed, in order for mutual accountability to be effective, all development stakeholders must possess the necessary capacity to effectively carry out their roles. This tenet is specifically important for recipient governments, who according to the Paris principles, are being encouraged to take the lead in developing national strategies and monitoring their own projects (per the discussion of country ownership in section one). Most recipient countries do not have the technical or logistical capacity to handle these additional conditions and new responsibilities tend to overburden the scarce capacity that exists.^{cxiii} In addition, the aforementioned 2014 Global Survey on Mutual Accountability identified insufficient government investment in developing capacity for mutual accountability at the local level to be a continuing challenge to implementation.^{cxiv} Part of this capacity-building will come directly from donors who begin to invest in strengthening recipient governments, in a sense working themselves out of a job.

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Increased capacity brings with it the ability for recipient governments to join dialogues and negotiations regarding their own development trajectory, underlining the ultimate Paris agenda goal of country ownership.¹

underlining the ultimate Paris agenda goal of country ownership.^{cxv} This is important for building and developing plans and processes that reflect the needs and aspirations of the recipient countries and their citizens. According to the OECD/UNDP Making Development Co-operation More Effective: 2014 Progress Report, the shift toward country-led monitoring is possible based on previous experience, but will require that international development stakeholders support the efforts of individual countries' and regional structures' as they attempt to use the relevant frameworks to exchange knowledge and implement recommended good practices.^{cxvi} It is now

time for donors to step up to the plate and begin to put real effort into implementing the commitments they have made.

USAID: A Framework for using Local Systems to Promote Sustainability

The United States Agency for International Development¹ (USAID) released a framework for supporting local systems that seeks to put these systems at the center of the agency's efforts for promoting sustainability.¹ USAID acknowledges focus on a single stakeholder relationship (i.e. donor and CSO, etc.) is insufficient; rather a comprehensive strengthening of the relationships of all development stakeholders is needed to fully realize USAID's desired development outcome – sustainable development at the local level. This process represents a move toward the organization's vision of development as “locally-owned, locally-led, and locally-sustained.”¹

One way that USAID has specifically looked to reduce risks associated with locally-driven mechanisms is to modify their risk assessment structure to include information on both rewards as well as the risks. In this way, the agency is better able to direct resources to the areas more likely to cultivate sustainable development.¹ This process represents an important paradigm shift as it recognizes a downside to solely considering risk factors associated with a given aid package or project. By reorganizing their structure, USAID is focusing their momentum on “effective and empowered local systems,” which the agency believes will be paramount to ending extreme poverty and building resilient, democratic societies.

For more information see the full document here: <http://www.usaid.gov/policy/local-systems-framework>

Conclusion/Recommendations

In conclusion, mutual accountability continues to be an important topic in development circles for multiple reasons. Evidence to date has shown that MA has the potential to positively impact aid relationships, encourage recipient country capacity development, and engage other development stakeholders. By implementing more accountability and transparency structures,

mutual accountability has the potential to be an important tool in transforming the current aid architecture and its effective implementation will ultimately have a positive impact on reducing poverty. However, despite the constant reiteration of its importance, the aid community and recipient governments alike have not moved beyond verbal commitments to make a real effort at implementing MA on the ground. There are no shortage of recommendations or ideas, and so, now is the time to focus on execution.

In addition, recipient governments need to consciously take a more active leadership role in the MA process at the national level. This means strengthening national leadership and ownership of development plans; enhancing their monitoring and analysis of development results; and clearly assessing the efficiency, propriety, and transparency of development resources.^{cxvii} The OECD/UNDP Making Development Co-operation More Effective: 2014 Progress Report data does acknowledge that in areas where strong recipient government leadership is in place, there is a stronger focus on country implementation of MA, moving in a positive direction for the enhancement of effective aid

use.^{cxviii}

Subsequently, while most international dialogue on mutual accountability focuses on governmental actors, civil society can play an important role by urging governments to effectively implement mutual accountability mechanisms, both at high-level

forums (i.e. calling on the UN and DAC donors to start implementing their commitments) and also on the ground in recipient countries – impelling recipient governments to put more of an emphasis on mutual accountability to foster aid effectiveness.

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Key Takeaways for Civil Society

- The international community should call on recipient governments to be held accountable for giving civil society the space to advocate and influence the government without risk of threats, imprisonment, or death.
- True inclusion of civil society in discussions and dialogues must happen at the local, national, and international levels so that the independent status of CSOs can be used to advocate for change and accountability.
- Donors should be held accountable for implementing country-specific projects that support recipient capacity development and reinforce existing mechanisms.
- Donors need to put more emphasis on funding and capacity-building for civil society so that, as members of the mutual accountability framework scheme, they are able to carry out their roles as “watchdogs” and community mobilizers.

Section 3: Multilateral Lending and the World Bank

In addition to the bilateral relationships commonly associated with the aid effectiveness agenda, multilateral lenders, specifically the World Bank and the International Monetary Fund (IMF), have been important players in this arena for over half a century. The World Bank, along with the IMF, are United Nations agencies created in 1944 as a result of the Bretton Woods conference.^{cxix} Using complementary approaches, the two organizations strive to improve living conditions within their member countries through economic cooperation and development.^{cxx} The World Bank focuses on long-term economic development and poverty reduction by providing assistance in policy reform and supporting projects such as building schools and health centers or fighting disease.^{cxxi} The IMF is responsible for international monetary cooperation, in particular helping countries overcome unsustainable imbalances in their international payments; aiding countries in sovereign debt difficulties; and providing policy advice and technical assistance to countries working towards building and maintaining strong economies.^{cxxii} Together, these agencies assist member countries on different initiatives such as reducing debt burdens, combating poverty, monitoring progress on the MDGs, and assessing financial stability.^{cxxiii} While both institutions are important to development, only the World Bank is a development institution per se, involved in “aid effectiveness” as an ongoing and operational concern.

The World Bank is concerned about the aid effectiveness agenda, and in fact, engages with governments over the programs and projects that it finances. One avenue for addressing aid effectiveness concerns has been to work with NGOs in countries it is assisting (with the approval of the aid-receiving government). Another is to provide an avenue for citizen complaints about World Bank projects. Nevertheless, a broader sense of dissatisfaction has recently led the Bank’s President to reorganize the Bank to better carry out its functions, which this section will address in turn.

The World Bank benefits from its collaboration with various CSOs in a number of ways: stakeholders have a voice in policy and program decisions; public sector transparency and accountability are promoted for the sake of better governance; public-private cooperation is encouraged by the promotion of public consensus and local ownership for reforms, national poverty reduction, and development strategies; local problems can be solved by innovative ideas, solutions, and participatory approaches; and service delivery is more effective due to professional expertise and increased capacity.¹

The World Bank and Civil Society

The World Bank works with thousands of CSOs on different development projects and programs in order to tackle the wide range of problems that exist at the global, regional, and country levels.^{cxxiv} CSOs are able to assist the Bank by providing their local knowledge, technical expertise, and ability to leverage social capital, which in turn allows for more fruitful development efforts. Some CSOs monitor the Bank's work and engage in policy discussions, while others actively collaborate with the Bank on operational activities.

While the World Bank provides loans, credits, and grants to developing governments, the Bank also provides grants to CSOs through numerous funding mechanisms.^{cxxv} The Development Grant Facility administers the funds to provide annual block grants to the funding mechanisms in order to support civil society initiatives at the global, regional, and country levels.^{cxxvi} Small-grant funds (USD 15,000 to USD 1 million) are provided to support civil society activities in the areas of environment, micro-credit, post-conflict reconstruction, information technology, human rights, gender, and innovative practices, in addition to supporting the activities of indigenous peoples, while trust funds are provided for areas like social development and poverty reduction.^{cxxvii} In addition to these funding mechanisms, the Bank indirectly provides CSOs with funds via social funds and Community Driven Development projects, which support local development projects such as rural development, community health, water delivery, HIV/AIDS prevention, and small enterprise development.^{cxxviii} The Community Outreach Program allows the World Bank to assist local nonprofits or international NGOs with community development efforts, human rights, and environmental protection worldwide.^{cxxix}

For years, CSOs have been trying to influence Bank policies by advocating

for a better disclosure of information, as well as for a mechanism to lodge formal complaints.^{cxxx} Some CSOs have heavily criticized the World Bank for endorsing projects and policies that they deem “arbitrary” in nature (i.e. potentially leading to further poverty and debt), while others have referred to the Bank as being a “necessary multilateral actor in global development,” but have articulated that reform, increased accountability in particular, is crucial.^{cxxxi}

Safeguard Policies

Due to the amount of pressure CSOs have placed on the World Bank for increased accountability, the Bank has introduced and implemented ten social and environmental safeguard policies to make sure that it adheres to the most current rules and regulations and to help staff promote development approaches that are socially and environmentally sustainable.^{cxxxiicxxxiii} The safeguard policies include: Environmental Assessment; Natural Habitats; Forests; Pest Management; Physical Cultural Resources; Involuntary Resettlement; Indigenous Peoples; Safety of Dams; International Waterways; and Disputed Areas.^{cxxxiv}

Since 2010, the safeguard policies, which date back to the early 1990’s, have been under review and analysis in order to prepare an agenda for future reform.^{cxxxv cxxxvi} The Independent Evaluation Group (IEG)’s 2010 report found the safeguard policies to be only “partially effective” and in need of reform, especially because the policies’ first iteration carried no regard for environmental and social risks during the project execution phase.^{cxxxvii} In a meeting with the IEG, nine CSOs raised concerns regarding the safeguards including: whether they were in alignment with global standards, especially in regards to international human rights and environmental law; the relevance of the safeguards as the nature of the World Bank Group portfolio evolves; the importance of accountability when executing safeguards; rewarding staff for the quantity of financing, not quality; the dangers of financing projects in areas of conflict; and making sure safeguards are consistent with international human rights norms by having a separate policy for indigenous people.^{cxxxviii} Taking these concerns into consideration, the Bank aimed to ensure that its policies were current and reflective of conditions in the global economic and political landscape, which had undergone numerous changes over the years. This was significant as many countries had adopted laws to protect their citizens and environment, which

were better suited to the local context than the bank's policies would be. Despite this fact, the Bank tended to use its own system, which proved detrimental as governments could not provide for adequate protection of their citizens and ecosystems.

Ultimately, the World Bank should work to create a better link between the appraisal and implementation phases of a project, which will allow for more effective results.¹

Currently, the World Bank is working on revising the safeguard policies by mid-2014, which will then be presented to the Board of Executive Directors for review.^{cxix} In revising modifying and formulating new and updated safeguards policies, a mandatory umbrella policy on the safeguards should be implemented, allowing for the environmental and social risks of all projects to be covered by a three-layer framework that is fully integrated with standardized bank policies.^{cxl} Any new and updated safeguard policy should be issue-specific, comprehensive in coverage, and more responsive to current environmental and social risks.^{cxli} Ultimately, the World Bank should work to create a better link between the appraisal and implementation phases of a project, which will allow for more effective results.^{cxlii}

Compliance Mechanisms

While the safeguards are meant to serve as a guide and help improve Bank projects before carrying them out on the ground level, the Bank also undertakes mechanisms for citizens to criticize and even stop Bank-approved projects. For instance, the Inspection Panel and the Compliance

Advisor/Ombudsman Office (CAO) were created by the World Bank Group to make sure that safeguard policies and performance standards are followed.^{cxliii}

¹¹ The complaints process fosters accountability on the World Bank's part, allowing the private citizen to have a voice in Bank-funded projects that affect their rights and interests.

Established in 1993, the Inspection Panel was created as a non-judicial forum for private citizens to file complaints when they believed that a World Bank-funded project would be harmful to them or their community.^{cxlivcxlv} The complaints process fosters accountability on the World Bank's part, allowing the private citizen to have a voice in Bank-funded projects that affect their rights and interests. In Fiscal Year 2013, the Inspection Panel received 85 formal requests^{cxlvi} of which environmental assessments, project supervision, and involuntary resettlements accounted for the majority.^{cxlvii} Sub-Saharan Africa submitted 31% of complaints in 2013, followed by Latin America and the Caribbean with 30%.^{cxlviii}

The International Finance Corporation and the Multilateral Investment Guarantee Agency (MIGA), two complementary institutions within the World Bank Group, the first to lend or invest in the private sector in developing countries and the second to provide political risk insurance to foreign direct investors, created the CAO in 2000 to mediate disputes between companies, governments, and CSOs in cases regarding environmental and social safeguard policies.^{cxlix} Just as in any other mediation process, the CAO aims to provide a resolution that is "fair, objective, and constructive" for all parties involved.^{cl} The CAO has three roles including dispute resolution, compliance oversight, and independent advice, through which it seeks to approach individual complaints and explore solutions and remedies in a manner that allows for systemic improvements at IFC and MIGA. In order to be eligible for assessment, complaints must: relate to a project that the IFC/MIGA is either participating in or is actively considering and raise an environmental or social issue.^{cli}

Restructuring of the World Bank

Due to longstanding calls for reform from various development stakeholders, including recipient countries and CSOs, in 2012, when American physician Jim Yong Kim became president of the World Bank, he distributed a survey amongst the Bank's 10,000 employees to gather opinions on how it could improve.^{clii} Dr. Kim also wanted to see if employees believed that the Bank was capable of achieving his goal of eradicating extreme poverty and securing inclusive income growth by 2030.^{cliii} The survey revealed that employees felt the Bank was characterized by a “culture of fear,” “fear of risk,” and lack of collaboration.^{clivclv} In addition, employees felt that money was the principal motivator amongst superiors, rather than the desire to reduce poverty.^{clvi} Dr. Kim responded to the survey results by implementing reforms at the Bank, effectively cutting the budget by \$400 million over the following three years.^{clvii} Under the restructuring process, the Bank transitioned from a “fund by fund, country by country, and region by region” structure toward centralization around 14 “global practices,” including agriculture, education, and health and nutrition.^{clviii} By focusing on global practices rather than specific regions, the World Bank hopes to better concentrate its expertise and knowledge of development practices on the global front.^{clix}

Reactions to the World Bank's reorganization have been expectedly mixed. Many development experts, such as Nancy Birdsall, the president of the Center for Global Development, have characterized the restructuring and “emphasis on the bank's comparative advantage as a...knowledge [sharing] institution” as positive.^{clx} But Birdsall has also gone on to say that the Bank might have to do more than just reorganize itself since “new development challenges are often global in nature.”^{clxi} Conversely, many development practitioners are concerned that the reorganization will not produce positive outcomes. For instance, critics maintain that Dr. Kim's plan to reorganize has not been fully thought out, especially because very little has been said

about how the World Bank plans to meet the demands of borrowing countries.^{clxi}

Key Takeaways for Civil Society

- CSOs are able to assist the World Bank with their local knowledge, technical expertise, and the skill to leverage social capital, which will allow the Bank to benefit in many ways, including but not limited to providing its stakeholders with a voice; solving local problems with innovative solutions and participatory approaches; and more effective service delivery due to professional expertise and increased capacity.
- In revising and formulating new and updated safeguards policies, a mandatory umbrella policy on the safeguards should be implemented, because it will allow for the environmental and social risks of all projects to be covered by a three-layer framework that is fully integrated with operational and bank policies that are standardized. Any new and updated safeguard policy should be issue-specific, comprehensive in coverage, and more responsive to current environmental and social risks. To ensure that they are strengthened and not weakened, NGO's should monitor the safeguard revision process, as well as the Heinrich Boil Foundation in Washington D.C. (Nancy Alexander in particular).

Section 4: Southern Involvement in International Development Aid

As discussed in earlier sections, the state of international aid is currently in flux: with the explosion of new stakeholders including civil society, foundations, and the private sector, etc., international aid has evolved past the traditional North-South donor-recipient relationship and now encompasses instances of “South-South” cooperation.

South-South Cooperation

For the purpose of this report, South-South Cooperation (SSC) is defined as a partnership between a middle income country and lower income country for the purpose of exchanging expertise, knowledge, funding, resources and technical assistance free of extreme conditionality (with the goal of a recipient country becoming self-reliant, while respecting the sovereignty of both the donor and recipient). The view of SSC as a “partnership among equals based on shared solidarity born out of similar experiences and sympathies, which is guided by the principle of respect for national sovereignty

These new entrants into the aid arena exist at increasingly varied stages of development and may have different resources from traditional donors.

“Southern” involvement in international aid not only brings forward new actors but also serves to both challenge and complement the traditional North-South aid model.

and ownership, free from any conditions”^{clxiii} is fundamentally important as SSC seeks to foster, “self-sufficiency among southern nations” and to strengthen “economic ties among states whose market power is more equally matched.”^{clxiv} SSC can occur through various outlets: Box 4.1 demonstrates the operation of SSC from organization-to-organization, country-to-country, regionally, intra-country and through Triangular Cooperation, which includes an element of cooperation from a traditional Northern donor (discussed in depth later in this section).

History of Southern Cooperation

SSC first appeared on the aid effectiveness agenda in the 1950's through the context of "the shared struggle by former colonies to attain independence"^{clxv} at The Bandung Conference, which brought together 29 Asian and African countries, most of which were newly independent nations, looking to promote cooperation on economic and cultural fronts. This conference began the discussion that led to the [Non-Aligned Movement in 1961](#)^{clxvi} and the [Group of 77](#) in 1964. By 1972, the [United Nations General Assembly](#) began to place emphasis on increasing technical support amongst developing countries and in 1978 the Special Unit for South-South Cooperation (UNOSSC) was formed (under UNDP)^{clxvii} to "promote, coordinate, and support South-South and triangular cooperation on a global and UN system-wide basis."^{clxviii}

In recent years, attention toward South-South modalities of cooperation has rapidly multiplied. In 2008, the Task Team on South-South Cooperation (TT-SSC) was founded at the Third High Level Forum on Aid Effectiveness in Accra, Ghana to "bring partner countries, especially middle income countries, donors, civil society, academia, regional, and multilateral agencies together under a common objective of mapping, documenting, and analyzing and discussing evidence on the synergies between the principles of aid effectiveness and the practice of South-South Cooperation."^{clxix}

The TT-SSC looked to contribute to the global effectiveness agenda by facilitating horizontal partnerships to encourage peer learning, increase the effectiveness of technical cooperation, and utilize Southern knowledge of development. The TT-SSC operates under various influences; it is a southern-led platform working under the Working Party on Aid Effectiveness (WP-EFF) at the OECD-DAC, with Colombia as its chair and Egypt as its co-chair. The World Bank and regional platforms in Asia, Africa, and Latin America and the Caribbean support the TT-SSC, which focuses its analysis and discussion on addressing the threefold mandate from the Accra Agenda for Action: "adapting the Paris Declaration and Accra Agenda for Action principles for SSC; enriching the [aid] effectiveness agenda with the practices and experiences of SSC; and identifying complementarities between SSC and North-South cooperation."^{clxx} In

addition, the TT-SSC focuses on strengthening regional platforms and collecting and analyzing data in order to build evidence for SSC and Triangular Cooperation through country case studies; these case studies will be discussed later in this section along with an expanded definition of Triangular Cooperation.

Development of South-South Cooperation

Over the last twenty years, there has been a remarkable shift in the makeup of aid-giving institutions: where OECD-DAC

formerly provided 95% of aid^{clxxi} to developing countries, now “aid to developing countries is delivered through more than 150 multilateral agencies, 33 bilateral members of the OECD-DAC, at least 10 non-DAC governments, and a growing number of global theme or issue-specific ‘Vertical Funds’.”^{clxxii},

“that...implement a standard set of programs in their areas of operation across multiple countries.”^{clxxiii} A

crucial difference between SSC and

its North-South counterpart is SSC’s devotion to solidarity, recognizing country needs through adaptation to local contexts and capacities, promoting mutual benefits and horizontal partnerships.^{clxxiv} For SSC to be successful, the both donor and recipient must commit to developing a mutually beneficial relationship that results in self-reliance through a “demand driven development process.”^{clxxv} In addition, ECOSOC notes that, for SSC to achieve desired results, it must emphasize respect for national sovereignty; national ownership and independence; equality; non-conditionality; non-interference; and mutual benefit.

The international community supports SSC because of its contribution to knowledge-sharing for development: in this modality, countries are able to learn from and more importantly share recent and relevant experiences with recipient countries (imparting practices that are more appropriate for the developing countries than those imposed by Northern donors.)¹

The international community supports SSC because of its contribution to knowledge-sharing for development: in this modality, countries are able to learn from and more importantly share recent and relevant experiences with recipient countries (imparting practices that are more appropriate for the developing countries than those imposed by Northern donors.)^{clxxvi} Aid, technical advice, and experience from a country who has recently experienced the issue at hand will often be better aligned with the needs and resources of another Southern recipient. On the other hand, as noted in section one, North-South aid is characterized by conditionality, a lack of ownership, and the dominance of the developing country by the donor country.

Box 4.1: The Benefits of SSC¹

- Creation of opportunities for countries to expand the markets for their skilled nationals, technologies, and products while making relevant, affordable technologies available to
- Increased cooperation among stakeholders to achieve internationally agreed-upon goals such as the Millennium Development Goals
- Increased cooperation among stakeholders to achieve internationally agreed-upon goals such as the Millennium Development Goals
- Development of the capacity of those involved
- Expanded professional networks
- Increased economies of scale through less duplication of effort
- Promotion of greater sustainability, as the process is typically adapted to local contexts and capacities

SSC: Removing Conditionality from the Aid Delivery Process

One of the advantages giving rise to SSC's popularity is the minimal amount (or even complete lack of) policy conditionality in comparison to the obligations imposed by Northern donors and major international institutions (as discussed in sections one, two, and three).^{clxxvii} Bilateral donors as well as multilateral institutions like the World Bank and IMF, "often [impose] governance as well as macroeconomic conditionality."^{clxxviii} Consequently, recipients that disregard these mandates are cut off from North-South funding, leading to an increasing power imbalance between the recipient and donor.

In contrast, Southern donors believe that development assistance should not be hindered or influenced by politics, foreign policy, or other non-development related agendas. In addition, the lack of extreme conditionality inherent to SSC increases country ownership as recipients are not required to meet numerous prerequisites or undertake superfluous monitoring processes in order to receive development assistance. Additionally, SSC also has less procedural conditionality, which allows aid disbursements to start sooner and under less bureaucratic fanfare. Northern donors, on the other hand, require various conditions at all levels for aid disbursement to begin; this can delay or even perpetually postpone the disbursement of funds.

Box 4.2 lists relevant empirical examples of SSC, encompassing different methods and approaches to aid (absent conditionality). In addition, boxes 4.3 illustrate the different methods of SSC across sectors and regions.

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Box 4.2 – Empirical Examples of SSC^{clxxix}

Bilaterals	
Africa	
South Africa	Currently, almost all South African aid is channelled through multilateral channels (including NEPAD, African Renaissance Fund, etc). Provides some debt relief.
Asia	
China	Most aid in form of projects, in-kind, Technical Co-operation and debt relief.
India	Aid fundamentally project oriented (including Technical Co-operation), with exceptions of Bhutan and Nepal and recently also Afghanistan (PBAs). Provides some debt relief.
Korea, Republic of	Technical Co-operation grants are 31%, project/programme grants are 22%, other grants 16%, and bilaterals loans are 31%. Full debt relief granted to HIPC.
Malaysia	Bulk of aid through Technical Co-operation, which does involve some project-type assistance.
Thailand	80% in the form of project lending, remainder is Technical Cooperation.
Middle East & North Africa	
Kuwait	KFAED delivers mainly project and Technical Co-operation, with the Kuwaiti Gov't involved in budget & BoP support. Provides some debt relief.
Saudi Arabia	Saudi Fund gives mainly project-type assistance (but no Technical Co-operation), with programme aid historically 4% of total. Direct bilateral support includes some budget support and debt relief.
Turkey	Increasingly project & programme aid (30%), but still large part Technical Co-operation (26%). Also quite high is 'aid to refugees in donor countries'.
United Arab Emirates	ADFD offers aid in the form of projects and Technical Cooperation, with some debt relief given in 2006. Direct bilateral support includes some budget support.
Latin America & Caribbean	
Argentina	Mainly Technical Cooperation, but moving towards more long-term institutional engagement (e.g. in Haiti). Still projec focused however. Provides some debt relief.
Brazil	Brazilian aid mainly consists of Technical Cooperation. Provides also some debt relief and food/emergency assistance.
Chile	AGCI delivers aid entirely through Technical Cooperation and scholarships.
Venezuela	Venezuela's oil aid deals are essentially BoP support. Venezuela also gives some humanitarian assistance and project-type aid through BANDES.
Multilateral Development Institutions (non-OECD)	
BADEA	96% Project & programme aid (loans), rest Technical Cooperation (grants)
Islamic Dev't Bank	Net approvals for recent years have been around 50% trade finance and 50% projects, with Technical Cooperation less than 1%.
OPEC Fund for Int'l Dev't	Mostly Project & programme assistance (77%), and debt relief (13%).
Other	
Taiwan Province of China	Bilateral aid almost all projects and Technical Cooperation. Does provide some budget support.

Box 4.3: SSC: A Look at the Makeup of Development Aid in Practice ^{clxxx}

Type	Who
Organization to Organization	The Population Council in Zambia facilitated a match between the police in Malawi and Zambia to provide emergency contraception after rape. Population Council Zambia was able to facilitate three visits between the two police departments. The two police organizations reportedly learned a great deal from each other and both are now providing emergency contraception. ^{vii}
Country-to-Country	Partners in Health facilitated a collaboration between Haiti and Lesotho in which an HIV care model developed in Haiti was applied in rural Lesotho to scale-up HIV and other treatment services. The collaboration allowed for sharing perspectives and experiences unique to the provision of care in a resource poor setting and resulted in cross-country working relationships and a successful adaptation and replication of the Haitian model in Lesotho. The relationships and exchanges of methods have continued over a three-year period. ^{viii}
Regional	The Government of Thailand Foundation of the Asia-Pacific Development Center on Disability (APCD Foundation) serves as the regional center in the Asia-Pacific region to facilitate networking and collaboration among organizations of/for persons with disabilities for the purpose of empowerment of persons with disabilities and a barrier-free society. ^{ix}
Intra-Country	India, Brazil and South Africa (IBSA) have pooled their economic power and development experiences in the IBSA Fund, which received the 2010 UN Millennium Development Goals (MDG) Award. The fund identifies replicable projects that can be disseminated to interested developing countries as examples of best practices in the fight against poverty and hunger. Each of the three countries is also involved separately providing and facilitating South-South technical exchanges within and across regions. ^x
Triangular	In this project, professionals of Josefina Machel Hospital, Lucrecia Paim Maternity Hospital, 13 primary health care centers, and other hospitals in Angola were trained in hospital administration, equipment maintenance, nursing care, radiology, and laboratory by Brazilian professionals. The training course was facilitated by the Grant Aid Cooperation of the Japanese Government. ^{xi}

As referenced in Box 4.3: Structures for SSC:

The “**organization to organization**” structure is largely an issue-specific model. Here, two actors with the same (or similar) duties, functions, and responsibilities addressing the same issue or problem exchange knowledge, experience, technology, resources, solutions and methods. The organizations experience mutual learning and adjust their approaches accordingly, resulting in the development of more effective strategies and solutions. This type of cooperation works best when similar organizations are dealing with the same specific or narrow issues. Naturally, this structure is limited when dealing with complex problems that require the involvement of more than one organization.

The “**country to country**” structure is ideally suited for countries similar in terms of resources who are dealing with analogous issues, especially when one partner already has a working solution in place (which the other country can tailor to their specific situation and adapt). The exchange of information, experiences, resources, technology, methods, and solutions which in turn lead to mutual benefit is a critical part of this model. “Country to country” cooperation can provide a

well-coordinated solution to multiple issues, but is limited to the knowledge of the two countries in question and excludes any of these from other countries.

The “**regional structure**” is an effective way to foster alliance-building in a specific region. Geographically proximate countries often have similar make up, population, resources, issues or problems. As a result of these similarities, the exchange of knowledge, best practices, and solutions can effectively lead to resolutions and programs well suited for all nations in a specific region. The “regional structure” not only provides multiple solutions, but can also lead to regional economic power and increased balance with industrialized partner nations. However, if the countries in the region are in fact similar, the scope of the knowledge and solutions that are available to share is limited.

The “**intra-country structure**” is ideally suited for issue-specific solutions on a global level. In this model, multiple countries pool knowledge and resources, making them available to interested developing countries. Often, the “intra-country structure” is a group effort, which provides adaptable models for an interested developing country. It should be noted that the “intra-country structure” is flexible and allows for a single country or smaller combination of countries to work developing country in question. The benefit of the intra-country structure is global access, however, this can also result in a lack of focus on appropriate example countries due to the “intra-country” structure’s international scope.

Triangular Cooperation

In addition to SSC, the emphasis on a development modality known as Triangular Cooperation (TC), or SSC that is additionally supported, financially and technically, by “multilateral agencies or industrialized national partners,”^{clxxxii} has increased over the past decade. The High-Level Event on South-South Cooperation and Capacity Development that took place in Bogota, Colombia in 2010 proposed that, “SSC is not a substitute for, but a complement to, North-South development cooperation, with Triangular Cooperation acting as a bridge between South-South and North-South cooperation.”^{clxxxiii} The international community has long supported Triangular Cooperation due to its continued reliance on financial resources and technical assistance from

the North, paired with the increasing acknowledgment of the important and possibly longer lasting benefits of the global South's ability to provide "training, exchanges, and mentoring."^{clxxxiii} For the purpose of this report, we will additionally define TC as a partnership between Northern and Southern donors providing assistance to a developing country, where the developing country is supported financially and technically by multilateral agencies and Northern governments and training and capacity-building is supported by South governments. The triangular structure allows for the broadest participation of actors, including recipient countries at different stages of development, donor nations, and multilateral organizations and agencies. It is a model with aspects of both North-South and South-South cooperation, which allows for greater and more varied input, and therefore, a greater amount of adaptable solutions without a rigid donor recipient dynamic.

Development of Triangular Cooperation

In practice, Triangular Cooperation has been hampered by the lack of institutional frameworks necessary to guide the process. There are no clear foundations or guidelines to assist donors in the provision of aid or regulation as to how the donor country should assist the recipient. The lack of guidance becomes particularly important with the added concern of keeping the recipient state's sovereignty in tact. Developing a framework for policy coordination has proven difficult for both SSC and Triangular Cooperation, as they strive for a specific country-based approach rather than a standardized and streamlined "one size fits all" process.

Knowledge Sharing

Knowledge sharing for increased development effectiveness, or the practice of northern donors hiring experts to work in developing countries, is best done through the lens of Triangular Cooperation, which allows for northern donors to provide resources while southern donors focus on training and mentoring. Southern donors are best suited for knowledge sharing because they have a closer understanding and are more directly connected to the development issues that the recipient country is experiencing.

The World Bank Approach

The World Bank has come together with the TT-SSC to established “a one-stop shop to help World Bank staff design, develop, and deliver learning and knowledge exchange; events, strategies, and programs.”^{clxxxiv} Accordingly, the World Bank Institute (WBI)’s Knowledge Exchange Program serves as a tool for the World Bank’s frontline teams to assist in the southern cooperation model of sharing knowledge and experiences, acting as a connector between the southern countries in question. The systematic approach of the World Bank has been characterized by the integration of “knowledge exchange into country and sector strategies; incorporating knowledge exchange in lending and knowledge operations; integrating a Results Framework in World Bank- facilitated knowledge exchanges; managing a demand driven, multi donor trust fund dedicated to financing just-in-time knowledge exchanges; and providing technical assistance to countries on how to design and implement knowledge exchange, as well as on how to become ‘Knowledge Hubs’ by building institutional capacity for knowledge exchange.”^{clxxxv}

The Results Framework is key to the success of the South-South Knowledge Exchange (SSKE) through the World Bank. Generally the evidence base of knowledge exchange has been anecdotal and this has shown positive results. However, the Bank still lacks empirical evidence regarding the effects of capacity-building and development in countries where SSKE is practiced. As a solution, the World Bank began to analyze results through the Capacity Development Result Framework (CDRF), a tool for evaluating development programs that uses “change theory, pedagogical science, project management, and monitoring and evaluation practice,”^{clxxxvi} in order to evaluate current capacity development programs or to predict the effectiveness of a proposed program. By evaluating SSKE through the CDRF, practitioners are provided with empirical results and the benefits of SSKE can be sufficiently analyzed.

Knowledge Hubs

A knowledge hub “is an organization, or part of it, dedicated to sharing development experiences and models with partners from other countries.”^{clxxxvii} As the demand for Southern donors to supply knowledge grows, knowledge hubs are becoming an increasingly important tool. The G20 Development Agenda (2011) emphasized the need for knowledge hubs by highlighting certain steps for effective knowledge sharing including: ensuring “that policy-makers fully support knowledge exchange as an important tool;”^{clxxxviii} bringing “all relevant national players on board and [creating] a ‘catalogue’ of knowledge and solutions available in a country;”^{clxxxix} engaging “with partners abroad and (connecting) them to national institutions;”^{cxc} providing “tools for making knowledge happen, for example through modalities such as dialogues, expert visits, twinning arrangements, etc.,”^{cxc} and facilitating “access to funding.”^{cxcii} However, knowledge hubs are still in their infancy, therefore meeting the five standards listed in the G20 Development Agenda (2011) is difficult.

Knowledge Hubs Examples

The Brazilian Cooperation Agency (ABC) is part of the structure of the Ministry of Foreign Affairs. It is responsible “to negotiate, coordinate, implement and monitor programs and Brazilian technical cooperation projects, executed on the basis of agreements signed by Brazil with other countries and international organizations.”

^{cxciii}The operational structure of the ABC is comprised of four coordinators:

[CGPD - General Coordination of Technical Cooperation among Developing Countries](#)

whose CGPD mission is "to contribute to the consolidation of Brazil's relations with developing countries to expand their exchanges, generation, dissemination and use of expertise, training of their human resources and to strengthen their institutions."^{cxciv}

[CGCB - General Coordination of Bilateral Technical Cooperation](#) whose objective is of

technology transfer and absorption of knowledge contributing to the socioeconomic development of the country. This is realized by is realized by means of high-level

consulting, training and training of Brazilian technicians and, in some cases, the donation of high-tech equipment, with the ultimate goal of transferring new knowledge to Brazilian institutions. [CGCM - General Coordination of Technical Cooperation Multilateral](#) whose goal is to generate and / or transfer knowledge, techniques and experiences that contribute to the development of national capacities in areas listed as priorities by the Brazilian Government and civil society, working self-sufficiently in terms of the knowledge required to design and operate public policies and programs which impact on the socioeconomic development and environment of the country.

CGAO - General Coordination of Administration and Budget ABC which coordinates the administrative and budgetary activities of ABC. It designs and implements the planning of administrative components, human and organizational resources of ABC, to ensure its efficient operation, and serve as liaison between the agency and other administrative units of the Ministry of Foreign Affairs.

“The Government of Indonesia has been actively conducting technical cooperation within the framework of South-South and Triangular Cooperation. Indonesia has been organizing technical cooperation programs in various areas under the framework of Technical Cooperation among Developing Countries (TCDC) and Third Country Technical Cooperation (TCTP) utilizing an annually allocated budget and support from development partners.”^{cxcv} Indonesia's SSTC is based on the following principles: equality; mutual respect; non-conditionality; the sharing of experience, knowledge and comparative advantages; being demand driven; and looking for mutual benefits, opportunities and sustainability.

Korea's [Knowledge Sharing Program \(KSP\)](#) is a demand-driven and policy-oriented development cooperation program that works with organizations such as the Korean Development Institute to share experiences and knowledge. Interests grew in Korea's

experience in accomplishing rapid economic growth. “Korea recognizes knowledge sharing as an effective tool for development and has actively been sharing knowledge for development”^{cxcvi}. Knowledge Sharing Program, a model of development cooperation, is the result of these efforts. The Ministry of Strategy and Finance of the Republic of Korea launched the Knowledge Sharing Program, aimed at sharing its development know-how, assisting the partner countries and working toward lessening the knowledge divide.” KSP has three components: KDI leading Policy Consultation (Bilateral KSP), KDI School leading Modularization, and the Export-Import Bank of Korea leading the Joint Consulting with MDBs (Multilateral KSP).

“The Mexican Agency for International Development Cooperation (AMEXCID) is a decentralized body of the Mexican Secretariat of Foreign Affairs (SRE). The agency was provided with specific powers to deal with matter relating to international development cooperation. Its mission is to guide, coordinate and implement the Mexican International Development Cooperation Policy, in accordance with national priorities concerning sustainable human development.”^{cxcvii} AMEXCID’s goal is to be acknowledged as a valuable entity in promoting sustainable human development, through the implementation of effective international cooperation on account of its administrative management, clarity of goals and innovative sense in the matter. “The fundamental purpose of the AMEXCID, in line with the provisions of Article I of the International Development Cooperation Law, is the promotion of sustainable human development, encouraging for such intention, the management, promotion and coordination of international cooperation actions carried out by the departments and institutions of the Federal Government.”

AMEXCID contributes to the implementation of activities that promote: the eradication of poverty, the decrease of unemployment, the reduction of inequality and social

exclusion, the permanent increase in educational, technical, scientific and cultural levels, the reduction of the gap between developed and developing countries, the quest for environmental protection and the fight against climate change, and strengthening public safety.

Mexico's three most important roles in the field of cooperation are the following:

- As a beneficiary of cooperation: Mexico receives cooperation from industrialized countries and international agencies to implement projects aimed at strengthening internal capacities, incorporate leading edge technology and contribute to the socio-economic development of its most vulnerable regions and populations. This cooperation includes more and more elements of partnership co-financing and self-sustainability.
- As a provider of cooperation: in order to encourage the sustainable development of friendly countries and regions, Mexico has established an intense and diversified strategy of cooperation in areas of interest taking into account its own capacity to provide assistance.
- In South-South cooperation: with the aim of leveraging identities, strengths and complementarities, Mexico encourages horizontal and equitable exchanges with developing countries in sectors and themes of shared interest relevant to sustainable development.

Singapore Cooperation Enterprise (SCE) was formed by the Ministry of Trade and Industry and the Ministry of Foreign Affairs of Singapore to respond effectively to the multitude of foreign requests to tap on Singapore's development experience. SCE was restructured as an integrated arm of IE Singapore to optimize the synergies between both organizations. SCE works closely with Singapore's 15 ministries and over 60 statutory boards to tailor possible solutions to match the foreign parties' needs.

Solutions could include visit programmes, trainings, advisory services and even project implementation. Where necessary, SCE will invite participation from relevant private sector players, including representatives from trade and industry associations.

Singapore is also still learning from others so as to improve themselves.

“International Enterprise (IE) Singapore is the government agency driving Singapore’s external economy. It spearheads the overseas growth of Singapore-based companies and promotes international trade. With its global network in over 35 locations spanning many developed and emerging markets, the agency connects businesses with relevant Singapore-based companies for their business expansion by: helping to identify and cultivate relationships with Singapore-based partners that have a pan-Asian or global presence; keeping companies abreast of the latest business trends and opportunities in Asia.”^{cxviii}

In the five different examples listed above all of the information hubs fell under foreign policy or a foreign affairs agency. All five countries have benefitted from or are still benefitting as a beneficiary of cooperation. All five have experience in turning into successes as at least middle income countries. The amount of progress and success and stage of development varies. Most have become at least regional donor countries and even global donor nations who also want to share their experience, knowledge, methods and solutions with others so they can tailor them and adapt them to suit their specific situations in hope of achieving similar success. They all share the basic South-South/ Triangular cooperation features of preservation of sovereignty, ownership, non-conditionality, respect, mutual benefit and exchange, strive for self-reliance and fostering an air of international cooperation. Mexico takes it a step further with the inclusion of CSOs.

Civil Society Organizations and SSC

CSOs serve as independent actors in development and for this reason, “it is particularly important that CSOs have a clear and transparent legal framework within which to structure both their domestic work and their participation in SSC programs.”^{cxix} A framework that allows for a direct partnership with CSOs to ensure their ability in capacity development and strengthening accountability is essential. Southern providers should work with CSOs, so that initiatives in developing countries are not duplicated or undermined. In addition, “analyzing appropriate modes of conducting international cooperation; determining how to establish mutually productive government-CSO partnerships; adapting approaches to the expressed needs of partners on the ground; understanding the unique cultural or political reality in partner countries; and working equitably with counterpart in other countries,”^{cc} are specifically important for the growth of CSOs in the SSC arena. CSOs need to be clear on their current capacities and orientation in partner countries; for this UNDP suggests that a mapping tool be used to compare the strengths and vulnerabilities of major CSO actors.

CSOs have a huge advantage of already having significant relationships with local and national governments. Relationships can range from “over or hidden tension to healthy cooperation and collaboration.”^{cci} Regardless of the relationship they are all useful in engaging CSOs in SSC as they are context specific and have been affected by the social, political and historical factors of the developing country. If these relationships do not exist, it is wise for Southern donors to use the tools that CSOs have in relationship building and knowledge building.

Conclusion

SSC promotes the prominent sharing of knowledge and resources between and among middle-income and developing countries in addition to self-sufficiency among Southern states. SSC has become increasingly popular; this is reflected in: middle-income countries increased involvement in development cooperation through assistance; the evolution of the

development architecture; encouraging involvement from all actors in all stages of development; and promoting a horizontal global development agenda. SSC seeks to put an end to the dependence of developing countries on Northern donors, replacing dependence and domination with mutual benefit and sovereignty.

An incentive for donors to support SSC is that the SSC provides “as a method of enhancements of country ownership, use of comparative advantages, and scale-up of the impacts of past assistance”^{ccii}.

The international community has generally embraced SSC and particularly TC. The benefits of mutual cooperation as opposed to domination or donor-relationships burdened with conditionality foster permanent long term true growth and advancement in developing countries. CSOs can be very valuable to development cooperation with other nations. They work with businesses and governments to develop creative methods to combat poverty, this has the potential to have a global impact. Additionally, CSOs are experienced in sharing practices and effecting implementation and coordination of policies at the domestic and international level. The next logical step in the evolution of SSC/TC is the inclusion of CSOs as part of the SSC/TC process. This can be accomplished by establishing policies, guidelines and foundations, providing an institutional framework; by establishing information hubs which include CSOs that facilitate the free flowing mutual exchange of information free of conditionality; and the collection of data to create accountability and an effective valuation system on the performance and effectiveness of any given program or solution.

Key Takeaways for Civil Society

- **Institutional framework for Triangular Cooperation:** Triangular Cooperation has been hampered as the result of the lack of policy and institutional frameworks necessary to guide the process. There are no clear foundations or guidelines as to which donor should provide aid or to how the donor country is to assist the country in need of aid. Since SSC and triangular cooperation makes aid about more than just financial assistance and it is more about Statebuilding, donors need a clear definition of where they are to assist and how they will be able to accomplish providing the aid.
- **Knowledge Hubs:** We feel knowledge sharing is best done through the lens of Triangular Cooperation, Knowledge sharing is northern donors hiring experts to work in a low-income country, which Triangular cooperation allows for Northern donors to provide resources while Southern donors can focus on exchanging and mentoring. Southern donors are best suited for knowledge sharing because they have a closer and more directly are closely connected to the development issues that the recipient county is experiencing. A mechanism for knowledge sharing is to establish a network, with the participation by practitioners from both developing countries and donor and international organizations through regular meetings and contact among the network members. CSOs have been responsible for many SSC initiatives; however, the existing evidence based on the scope and results of these initiatives is very limited as reporting is patchy and there are few robust evaluations. This is an area where CSOs have the opportunity to further develop and influence the development agenda. CSO's could be more effective if an evaluation system for SSC was put in place.
- **Institutionalize Policy Dialogue:** CSO's face a challenge in becoming part of the development cooperation dialogue because policy debated around SSC is generally classified as part of foreign policy, an area where governments tend to be more guarded and much less open to dialogue with civil society CSOs. However, some governments have taken it upon themselves to include CSOs: for instance. Mexico has made more substantial efforts to institutionalize policy dialogue with civil society. The Mexican Ministry of Foreign Affairs and the Mexican Agency of International Development Cooperation (AMEXCID) has helped create an enabling made efforts to strengthen the enabling environment for civil society engagement in Mexico's SSC.

Section 5: Anti-Corruption

Anti-Corruption Mechanisms

Over the past decade, donors have identified corruption as a major challenge to development and security,^{cciii} transforming the issue into a key policy priority for the aid effectiveness agenda.^{cciv} Simultaneously, donors have begun to develop programmatic responses to maximize development outcomes^{ccv} including encouraging donor/recipient coordination; supporting greater efforts to ensure the predictability of aid flows; and addressing the question of how to minimize corruption, which undermines foreign assistance. Corruption can destabilize aid effectiveness at the local, national, and international levels and thus, the United Nations Global Compact^{ccvi} initiative has advocated for the incorporation of their anti-corruption principle^{ccvii} into the post-2015 development agenda^{ccviii} and has requested that the private sector call on governments to “work against corruption in all its forms, including extortion and bribery.”^{ccix}

Corruption can destabilize aid effectiveness at the local, national, and international levels

Introduction: the Feasibility of Mutual Accountability in the Context of Corruption

Mutual Accountability (as discussed in section two) is believed to contribute to the consolidation of legitimate government structures by curbing corruption and generating public support for development policies in both in donor and recipient countries.^{ccx} However, following the Paris principles as guidelines for aid delivery,^{ccxi} little is mentioned regarding the feasibility of mutual accountability in corrupt environments, which illustrates both the difficulty of producing accountability in such contexts and the lack of international will to address political issues in the aid effectiveness arena (see section one for more information). MA depends on trust and a belief that multiple stakeholders will play by the rules. Any tolerance of corruption such as bribery, embezzlement, misappropriation of funds, abuse of power, favoritism, nepotism, etc.,

cause a tilting of the playing field against other stakeholders that are involved in aid service delivery. According to a recent Transparency International report: “Tolerating corruption erodes the prospects for sustainable stability and nation-building. [It] destroys the idea that there can be a fair power-sharing agreement, collective peace and trust.”^{ccxii} After years of relevant case studies, compelling empirical evidence supporting a link between the quality of a country’s political institutions and its economic and social development abounds.^{ccxiii} Providing aid in countries where corruption is endemic is, to say the least, a challenging task. Economist Dambisa Moyo, author of *Dead Aid* had unapologetically stated that the, “core reason for aid failing as a strategy, therefore, is that aid is an aide to corruption.”^{ccxiv} Accordingly, anti-corruption practices are often placed at the forefront of aid agendas.

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Multilateral organizations have also recognized that in order to curb poverty, corruption must end: when corruption plagues government, the two issues that are inextricably linked, make institutions untrustworthy and ineffective. Subsequently, the Paris Declaration unequivocally emphasizes the need to combat corruption in order to spur development effectiveness. Since the mid-1990s, a number of key international organizations, mainly the World Bank, the United Nations Development Program, the African Union, and the European Union highlighted the need for increased transparency and other measures to combat corruption.

The Bank strongly supports the OECD Anti-Bribery Convention, which “obligates its member states to criminalize , two specific offenses involving a foreign public official—bribery and complicity in bribery,”^{ccxv} regarding this as an extremely important step in the effort to limit cross-border bribery by multinational firms.^{ccxvi} The vital purpose of the Convention was to generate an international obligation by its member states to establish a specifically defined crime. In addition,

UNDP, through the Global Programme on Anti-Corruption for Development Effectiveness (PACDE) and its regional and country-level programs, is a major provider of anti-corruption technical support to over 100 countries.^{ccxvii} The African Union Convention on Preventing and Combating Corruption also lays out a framework for international cooperation and mutual legal assistance to effectively battle corruption and recover stolen assets.^{ccxviii} It represents international consensus about what states should do in the areas of corruption prevention and criminalization, as well as international cooperation and asset recovery.^{ccxix}

Additionally, 150 states have signed the United Nations Convention against Corruption (UNCAC). The UNCAC obliges the States Parties to implement a wide and detailed range of anti-corruption measures through their laws, institutions and practices. These measures aim to promote the prevention, detection, and sanctioning of corruption, as well as cooperation between State Parties on these matters.^{ccxx} As of April 2, 2014, only a handful, have yet to ratify it.^{ccxxi} The ratification of the UNCAC is an endorsement of recipient government's commitment to tackle corruption and to agree to forcefully administrative and legal reforms to facilitate all law-enforcement agencies to recover the illicit assets or misappropriated funds appropriated by corrupt and unlawful practices. When Transparency International called on G20 economies to do more to tackle flows of illicit assets, it highlighted the importance of strong implementation of UNCAC, including open civil society participation in monitoring.^{ccxxii}

Challenges to Effective Anti-Corruption Mechanisms

Drafting, implementing, monitoring, and developing the capacity of effective anti-corruption mechanisms is extremely demanding for developing countries, who may already—as is often the case in least developed

Since corruption can and will erode a great deal of trust between donors and recipient governments, plans are needed to identify strategies, goals, and targets for the performance of such mechanisms under a framework of mutual accountability.

countries (LDCs)—be tightly constrained in terms of funds. In addition, effective anti-corruption mechanisms are contingent upon the quality of institutions in the recipient nations. Since corruption can and will erode a great deal of trust between donors and recipient governments, plans are needed to identify strategies, goals, and targets for the performance of such mechanisms under a framework of mutual accountability.

In addition, the sheer number of actors working in the aid sector complicates the corruption agenda as it multiplies possible sources of fraud. As a result, donors and recipients often lack satisfactory trust and confidence in order to work toward increased cooperation. Moreover, the literature on aid effectiveness suggests that donors, civil society organizations, and the constituents of recipient countries are strongly divided over best practices for aid use. In practice, this means that recipient governments often agree to certain policies as part of an aid package even if they have no intention of implementing them. While not corruption per se, this phenomenon can undermine trust in equal measure with established methods of “corruption” such as the theft of public funds.

Accountability at the International Level

Per the OECD, the European Bank for Reconstruction and Development (EBRD) does not require a participatory mechanism for MA between donors and governments,^{ccxxiii} perhaps due to the competing agendas of the Bank and its member countries (see section three for more information), perverse incentives, or the comfort of some constituencies with a lack of transparency, which tends to distort overall accountability. However, in the absence of MA, the EBRD uses an anti-corruption mechanism called, “Project Complaint Mechanism” (PCM), which bears some resemblance to the Inspection Panel at the World Bank and the Ombudsman at the IFC and MIGA discussed earlier (in section three). PCM, the EBRD’s new accountability mechanism, assesses and reviews complaints about Bank-financed projects. It gives civil society organizations and local groups and individuals that may be directly and adversely affected by a Bank project a means of raising complaints or grievances with the Bank,

independently from banking operations.^{ccxxiv} Against this backdrop, it is worth quoting in length that:

“The bank uses a variety of measures in its anti-corruption efforts such as various ‘checklists’ that contains a series of questions about the owner of the company the Bank considers doing business with. They also hire special consultants for gathering information about local companies. The Bank also has a team of legal experts (called the Legal Transition Team) that evaluates the legal framework in the countries were the Bank is active as well as providing advice about new laws and implementing institutions. Each country’s legal frameworks is evaluated against the standard set by the OECD.”^{ccxxv}

Models of Anti-Corruption Mechanisms

Multilateral donors need to respond to and engage with anti-corruption initiatives on the aid agenda to improve core government systems such as the management and procurement of official development assistance, public administration, and overall aid effectiveness in developing countries. When corruption is pervasive and systemic in the country in question, major lessons can be learned from other countries that have applied anti-corruption efforts in order allow mutual accountability to yield results. As Robert Harris maintains:

“High corruption can only be addressed, to the extent that it can be addressed at all, by the external intervention of international donors or trading partners, or by international governmental or non-governmental organizations.”^{ccxxvi}

There is sizeable evidence from the following case studies that donors and civil society organizations can be successful in managing policy trade-offs while responding to instances of corruption. These case studies identify the broad-reaching factors of anti-corruption strategy that appear to be effective across a range of countries, who differ in income level, cultural makeup, and geography.

Transparency Case Study: Nicaragua

To a large extent, the earliest anti-corruption frameworks - those from Nicaragua, Pakistan and Tanzania - were explicitly guided by the World Bank Institute model of the late 1990's (based on the concept of a National Integrity System or NIS). Undertaking a NIS assessment allows organizations to examine corruption's degree and root causes.^{ccxxvii} Nicaragua represents a successful empirical example of NISs at work: among the countries included in Transparency International's^{ccxxviii} (TI) corruption index from 1998 to 2010, Nicaragua's "observed corruption" (such as weak procurement, false invoices, and patronage regarding employment^{ccxxix}) has remained constant (made more impressive by the fact that TI has long been a severe critic of corruption in Nicaragua).^{ccxxx} In order to achieve adequate levels of government transparency, in 1999, the Nicaraguan Vice President issued an open invitation for citizens to participate in a National Integrity Forum, a forum in which citizens brought forth problem areas in public service delivery and set priorities for change.^{ccxxxi}

"The Nicaragua Forum began with diagnostic presentations on seven key areas or "integrity pillars": judiciary, legislature, public auditing, education, private sector, media, and foreign assistance."^{ccxxxii} The approach was to strengthen the role of CSOs and citizens, including them in all spheres of development aid. Under each focus area, all relevant actors (who would work to promote social accountability and participation) were identified, with emphasis on providing service delivery for the poor, focusing on advocacy, and strengthening the capacity of constituents to demand accountability from the public and private sectors. Under the Nicaragua Forum scheme, transparency and improved accountability in governance became key elements in the national aid effectiveness agenda.

However, it must be noted that questions regarding the Nicaraguan government's level of commitment to transparency remained. Nearly ten years later, a peer review from Global Integrity (an organization that tracks governance and corruption trends around the world using local teams of researchers and journalists to monitor openness and accountability),^{ccxxxiii} reported that:

“Independent NGOs are prohibited from obtaining access to official information related to government programs, the census and other information they need to carry out their work. The access to public Information law is applied in a selective manner, and the release of all public information must be approved by the office of the first lady, Rosario Murillo.”^{ccxxxiv}

In addition, the Nicaraguan example lacks any pretense of mutual accountability: it would be in the interest of each stakeholder to agree on contextualizing MA as a framework for designing integrity systems as they deal with capacity building and methods which improve financial management and above all, transparency and accountability. The Global Integrity Report (2008) shows that Nicaragua scores highly in terms of its legal framework that protects freedom of speech and information, but public access to information is weak.^{ccxxxv} As a result of the lack of transparency from the Nicaraguan government, Global Integrity notes that: “In December 2011, the Inter-American Development Bank threatened to withhold \$45 million in aid if the government did not release the census information for 2009 and 2010, as is required by the law. Local NGOs had been demanding the release of this information for two years, but the government released it only after IDB threatened to withhold its funding.”^{ccxxxvi} Consequently, Inter-American took the necessary measures to ensure that the funds it disburses are used only for the purposes for which the loan was granted. In this case, NGOs were simultaneously able to shape public opinion and hold the government accountable for its promises of transparency.

Interestingly, Nicaragua also provides another example of successful civil society intervention into the transparency arena. In 1998, Coordinadora Civil para la Emergencia y la Reconstrucción, a local CSO who sought to respond to concerns regarding the government’s management of emergency aid and to rumors of discrimination in the delivery of aid based on party or religious preferences,^{ccxxxvii} undertook an audit of local communities’ perceptions of aid delivery. With respondents from approximately 10,000 households, Coordinadora Civil para la Emergencia y la Reconstrucción compared responses to official reports from the government and international donors. In doing so, it was able to identify discrepancies in aid delivery and to provide increased transparency, backed by CSO intervention, to the local community.^{ccxxxviii}

Civil Society Involvement in the Anti-Corruption and Transparency Arena

Successful anti-corruption campaigns involve both the intervention of both civil society and local citizens who are an invaluable source of information about where and how corruption occurs. In the NIS framework, consultation with the public involves the following: client surveys; appointing constituents as heads of public agencies; national integrity workshops; consulting with populations in small towns and villages; and using hot lines, call-in radio shows, and educational programs. For example, in Kenya, Water and Livelihoods Network (Walinet), enables citizens to report challenges in water service delivery by engaging with county leadership in order to strengthen and protect water sector interests at the grassroots level. Uniquely, the organization uses SMS text as a way to expedite concerns.

However, the participation of civil society organizations in the policy design phase has been, with the exception of Zambia (see below), weak to non-existent. The following case studies showcase the importance of implementing a holistic approach to anti-corruption in combination with both corrective and preventive approaches as well as the need to reinforce the role of all stakeholders who take part in the implementation of anti-corruption commitments.

Kenya: Strategies/plans for Addressing and Minimizing Corruption

The Kenyan government's Constituency Development Fund (CDF) is a prime example of how government expenditure may be easily corrupted. According to Muslims for Human Rights (MUHURI), a civil society organization based in Mombasa, members of the Kenyan parliament receive approximately one million dollars a year for infrastructure development, yet due to the lack of a regulatory framework for governing the allocation of funds (coupled with mismanagement), fraud and corruption ran rampant: MUHURI found extensive evidence of illicit behavior in the project budget. With the introduction of social accountability mechanisms (i.e. including public engagement in the budget process), transparency improved and strengthened oversight and lead to improved public service delivery. With the assistance of MUHURI, constituents were given the chance to comment on the accuracy of project records

and the quality of CDF-funded projects. Their social audit practice involved the following six steps:

1. Gathering records from the government on CDF projects;
2. Training community activists to monitor CDF projects;
3. Educating and mobilizing the public;
4. Inspecting the project sites;
5. Organizing a public hearing (which was held outdoors in a large public space, at which the audit findings were openly discussed); and
6. Following up with public officials

Zambia: Broad Nationwide Processes and a Two-Year Timeline for Consultative Feedback

In Zambia, a joint team comprised of the Government of Zambia and its cooperating partners made a commitment to apply the aid effectiveness principles as exemplified in the Paris Declaration of 2005 and the Accra Agenda for Action of 2008. Through the framework of mutual accountability, the donor-government Joint Assistance Strategy (2007-2010),^{ccxxxix} highlighted inadequacies in Zambian public expenditure management. The Anti-Corruption Commission—ostensibly after information was leaked to the media—confirmed the misappropriation of \$1.4 million by high-level Ministry of Health officials. In the aftermath of the exposure of corruption, a government-donor dialogue was necessary in order to move forward.^{ccxli}

Other cases of joint anti-corruption efforts include:

Hong Kong: The Independent Commission against Corruption (ICAC) has established five advisory committees to help define operational strategies and institutionalize its activities. These committees include one for policy, three for specific functions (prevention, operations review, and community relations) which correspond to departments within the ICAC, and one to deal with complaints against the ICAC and its officers.^{ccxli}

Philippines: A civil society initiative monitors government infrastructure projects, enabling donors to hold the government to account all aid expenditures.^{ccxlii}

Uganda: In a country like Uganda, where corruption is rife, the Ugandan Debt Networks (UDN) case showcases the ability of homegrown CSOs to make meaningful contributions during instances of corruption. In 2012, UDN conducted several anti-corruption campaigns, including public dialogues with the “intent to publish a list of properties and businesses owned by corrupt officials so that the public can boycott their services and stop filling their pockets with more money.”^{ccxliii} This exploit was carried out in reaction to the report that US\$12.7 million in donor funds had been embezzled from Uganda’s Office of the Prime Minister, which prompted serious questions about Uganda’s commitment to fighting corruption.^{ccxliv} In addition, Ugandan Debt Network monitored how the government spent the additional resources made available through debt cancellation.^{ccxlv}

NGOs Who Specialize in Anti-Corruption Matters

While there are a myriad of international organizations who advocate on behalf of anti-corruption issues (i.e. Transparency International, Revenue Watch and Publish What You Pay), Global Integrity is worth highlighting due to its close ties with civil society. The organization encourages the construction of an active civil society as a means to build the democratic capabilities and capacity of the public by involving them in the initial framing of policies regarding aid management and anti-corruption.

Global Integrity works through a number of intermediary international organizations and NGOs who then provide next steps for governance reform, facilitate capacity development of key actors, and manage the support of anti-corruption initiatives. The working groups produce a list of recommendations ranging from the very general to the very specific (e.g. expansion of the integrated financial management system, enhancing the transparency of government, scaling up public awareness campaigns, fortifying existing traditional governance systems, etc.).

In addition, Global Integrity is working actively with a wide variety of partners—including USAID, the World Bank, bilateral donors, regional organizations, and NGOs to address common concerns, share experiences and best practices, and design and implement intervention in the field. The following are seven types of initiatives designed for civil society:

1. In-country stakeholder discussions and workshops (e.g. Czech Republic & Slovakia, March, 2011; Rwanda, May, 2010; Solomon Islands, Tonga, Cambodia, Indonesia, Philippines, April, 2009; Latvia, Papua New Guinea, Tanzania, Uganda, Timor-Leste, Vanuatu, March 2008;
2. The formation of an alliance with the *World Wide Web Foundation* to assess original field data;
3. Establishing a relationship between governments in the *Open Government Partnership* (OGP) and expert practitioners/policy experts in the field (to press governments to be more open, accountable, and responsive to citizens);
4. Collaborating with foundations to produce integrity indicators which assess key social, economic, political, and anti-corruption tools;
5. Using *TESTING 1 2 3: The Global Integrity Innovation Fund*^{ccxlvii} to diagnose and address transparency and accountability challenges and document those successes and failures;
6. Utilizing of *INDABA*, a browser-based platform that allows geographically distributed teams to create, edit, review and publish original content, such as policy records or citizen audits which can consist of text, quantitative data, and uploaded files of any type; and
7. Exploring the Open Government Work Hub (OGWH), which brings together existing small and medium-sized organizations in order to facilitate towards a more transparent, accountable, and involved public sector.^{ccxlvii}

Key Takeaways for Civil Society

- Investigate the tools provided by Transparency International, who can aid CSOs in gaining the knowledge needed to actively participate in the anti-corruption process.
- Start a dialogue with Global Integrity and Open Government Partnership (OGP encourages and facilitates dialogue amongst civil society organizations, governments, and other actor involved with anti-corruption).
- Despite significant investments and the advanced privatization of the communication sector, CSO' are still facing a challenging gap in terms of Information and Communication Technology (ICT) in developing countries, which can have a negative impact on the dissemination of information, and therefore, transparency and accountability.
- In addition to the workshops and dialogues that ECOSOC offers, the NGOCFFD is encouraged to inform ECOSOC that it is in everyone's best interest to provide specific training for heads of CSO's regarding socioeconomic development issues in order to level the playing field and reinforce the concept of Mutual Accountability between NGOs, recipient governments and international institutions. This should be also organized often by UNDP.

Conclusion

In conclusion, the topic of aid effectiveness is complex and laden with difficulties, but also has great potential. Notwithstanding its complexity, mutual accountability has the potential to be an important tool in transforming the current aid architecture and its effective implementation will ultimately have a positive impact on reducing poverty. Within this framework, civil society has the potential to harness the collective power of its members and of the citizens they strive to empower to bring a change to the traditional aid structure and promote a more people centered form of development.

Much within the development community is in flux as there are calls for more accountability, transparency and cooperation, but this cannot be reached without a dedicated effort towards engaging multiple stakeholders and creating the space for them to function within their roles.

We contend that the mutual accountability capacity building can best be built by dealing practically with specific cases—including improving the knowledge sharing—as has been shown in the South-South Cooperation initiative and corruption issues.

While the inclusion of civil society as a main actor in development is relatively new, it is no less profound. CSOs can play such a crucial role in the development arena because they are both advocates at the national and international level as well as service providers. There are multiple recommendations and points of intervention and advocacy covered in this paper that are geared towards bilateral and multilateral aid relationships, mutual accountability, South-South Cooperation, and anti-corruption measures. They specifically look to prepare CSOs to be effective in influencing the aid effectiveness agenda.

In essence, aid effectiveness will only be impartially examined and adjudicated through international action between multi-stakeholders. In other words, far more effort on awareness-raising and game changing are required by both recipient government and development

partners if the Paris Declaration and the entire aid effectiveness agenda are to be applied. Fellows of the OECD, providers of South-South and Triangular Cooperation, philanthropic foundations, head of governments and civil society organizations all share common principles for international development cooperation which contain the principles of MA. In addition, MA is a fragile notion that cannot be strained excessively if the breach of trust constantly occurs. The international community, accordingly, has both the right, and the obligation to act and establish mechanisms such as the MA framework in order to ensure that funds for lower developing countries are spent effectively.

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ⁱ 0.7% of Gross National Income refers to the repeated commitment of the world's governments to commit 0.7% of rich countries' GNI (Gross National Income) as foreign aid.

ⁱⁱ The DAC, or Development Assistance Committee, is a forum for select members of the Organisation for Economic Co-operation and Development to discuss issues of aid and poverty reduction in developing countries.

ⁱⁱⁱ MDG Gap Task Force 2013, "Millennium Development Goal 8, The Global Partnership for Development: The Challenge We Face ." 2013. *United Nations*. Web. May 2014. Available at: http://www.un.org/en/development/desa/policy/mdg_gap/mdg_gap2013/mdg_report_2013_en.pdf

^{iv} For the purposes of this paper, we define foreign aid/assistance as a voluntary transfer of resources, including financial support; human capacity; or technical capabilities, from a donor to a second party, usually a national government.

^v United Nations Economic and Social Council, "Background Study for the Development Cooperation Forum: Toward a Strengthened Framework for Aid Effectiveness." April 2008. Web. May 2014. Available at: http://www.un.org/en/ecosoc/docs/pdfs/aid_effectiveness_1.pdf

- ^{vi} For the purposes of this paper, we define “traditional” aid as bilateral assistance, or the direct transfer of foreign aid from one national government to another.
- ^{vii} For the purposes of this paper, we define “non-traditional” aid relationships as anything other than bilateral aid, including South-South and triangular cooperation.
- ^{viii} United Nations Economic and Social Council, "Background Study for the Development Cooperation Forum: Toward a Strengthened Framework for Aid Effectiveness."
- ^{ix} Groves, Leslie, and Rachel Hinton. *Inclusive Aid: Changing Power and Relationships in International Development*. London: Earthscan, 2004, 182. Print.
- ^x Ibid.
- ^{xi} Ibid.
- ^{xii} “Civil society” is an aggregate term for those non-governmental institutions that represent the views of private citizens and are distinct from both government and the business community.
- ^{xiii} Whitfield, Lindsey. "Introduction: Aid and Sovereignty." *The Politics of Aid: African Strategies for Dealing with Donors*. New York: Oxford University Press, 2009. Print, 1.
- ^{xiv} Ibid.
- ^{xv} O’Keefe, Joseph. "Aid - From Consensus to Competition?." *The Brookings Institution*. 3 August 2007. Web. 1 May 2014. 5. Available at: <http://www.brookings.edu/~media/events/2007/8/01sustainable%20development/2007okeefe.pdf>
- ^{xvi} Ibid., 10.
- ^{xvii} Ibid.
- ^{xviii} Whitfield, 1.
- ^{xix} Ibid. 2.
- ^{xx} Ibid.
- ^{xxi} Ibid.
- ^{xxii} Ibid.
- ^{xxiii} O’Keefe, 2.
- ^{xxiv} Radelet, Steven. "A Primer on Foreign Aid, Working Paper 92." *Center for Global Development*. July 2006. Web. 1 May 2014, 3. Available at: http://www.cgdev.org/files/8846_file_WP92.pdf
- ^{xxv} Ibid., 5.
- ^{xxvi} Ibid.
- ^{xxvii} Ibid.
- ^{xxviii} Groves et al, 178.
- ^{xxix} CSO Partnership for Development Effectiveness, “An Enabling Environment for Civil Society Organizations: A Synthesis of Evidence of Progress Since Busan.”
- ^{xxx} Ibid.
- ^{xxxi} Ibid.
- ^{xxxii} Ibid.
- ^{xxxiii} The OECD, or Organisation for Economic Co-operation and Development, is an international economic organization comprised largely of high-income countries that was founded in 1961 to stimulate economic development and world trade.
- ^{xxxiv} CSO Partnership for Development Effectiveness, “An Enabling Environment for Civil Society Organizations: A Synthesis of Evidence of Progress Since Busan.”
- ^{xxxv} For the purposes of this paper, Mutual Accountability will be referred to as MA.
- ^{xxxvi} "Paris Declaration and Accra Agenda for Action." Web. May 2014.
<<http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>>.
- ^{xxxvii} Ibid.
- ^{xxxviii} The Accra Agenda for Action is the ministerial statement released following the Third High-Level Forum on Aid Effectiveness, which was held in Accra, Ghana in September, 2008. The document reinforces the Paris Principles, but urges stakeholders to accelerate the pace of change in the following areas: country ownership, building inclusive partnerships, and achieving development results.
- ^{xxxix} The Global Partnership for Effective Development Cooperation was mandated by the international community at the Fourth High-Level Forum on Aid Effectiveness in Busan, Korea in November, 2011. The Partnership, supported jointly by the OECD and the United Nations Development Programme (UNDP) brings governments, the private sector, civil society and others together to ensure that funding, knowledge, and policy produce maximum impact for development. It is a forum for shared advice, shared learning, and shared action to support the implementation of Paris Principles.
- ^{xl} Rogerson, Andrew, "What if Aid harmonisation and alignment occurred exactly as intended? A reality check on the Paris Forum on Aid Effectiveness." 4.
- ^{xli} Ibid.

^{xlii} Ibid.

^{xliii} Aideffectiveness.org, "The Paris Principles." Web. 1 May 2014. Available at: <http://www.aideffectiveness.org/Themes-The-Paris-principles.html>

^{xliv} Aideffectiveness.org, "The Paris Principles."

^{xlv} Ibid.

^{xlvi} The Millennium Development Goals, or MDGs, are eight internationally-agreed upon development goals (including eradicating extreme poverty, providing universal education, etc.) that were established following the Millennium Summit at the United Nations in 2000. At the time, all 189 UN member states (there are now 193) agreed to help achieve the Millennium Development Goals by the target date of 2015.

^{xlvii} Tomlinson, Brian . "Determinants of Civil Society Aid Effectiveness: A Discussion Paper." *Canadian Council for International Cooperation*: n. November 2006. Web. 1 May 2014. 1. Available at: http://www.ccic.ca/_files/en/what_we_do/002_aid_2006-11_cida_aid_effectiveness_and_csos_paper.pdf

^{xlviii} Roberts, Rebecca. "Reflections on the Paris Declaration and Aid Effectiveness in Afghanistan, Discussion Paper." *Afghanistan Research and Evaluation Unit*. April 2009. Web. 1 May 2014. 3. Available at: <http://www.areu.org.af/Uploads/EditionPdfs/913E-Aid%20Effectiveness-DP-print.pdf.pdf>

^{xlix} *Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy, ABRIDGED*. 1.

ⁱ Chandy, Laurence, "It's Complicated: The Challenge of Implementing the Paris Declaration on Aid Effectiveness." 1.

ⁱⁱ Ibid.

ⁱⁱⁱ Rogerson, 539.

ⁱⁱⁱⁱ Radelet, 7.

^{lv} Ibid.

^{lv} Ibid.

^{lvi} MDG Gap Task Force 2013, "Millennium Development Goal 8, The Global Partnership for Development: The Challenge We Face."

^{lvii} Rogerson, 8.

^{lviii} Chandy, Laurence, "It's Complicated: The Challenge of Implementing the Paris Declaration on Aid Effectiveness." 1

^{lix} Ibid.

^{lx} Whitfield, 5.

^{lxi} Canadian Council on International Cooperation, "The Paris Declaration on Aid Effectiveness: Donor Commitments and Civil Society Critiques, Summary of a CCIC Backgrounder." 1.

^{lxii} A PRSP, or Poverty Reduction Strategy Paper, is a document required by the International Monetary Fund or World Bank in order for a country to be considered for the HIPC (Heavily Indebted Poor Countries) Initiative, which provides debt relief to heavily burdened countries. PRSPs describe the country's macroeconomic, structural, and social policies/programs over a three (or more) year term and are often required by donors in order for recipient countries to receive allocated aid.

^{lxiii} Tomlinson, 2.

^{lxiv} Ibid.

^{lxv} In Busan, South Korea, the Fourth High Level Forum on Aid Effectiveness was held in November/December, 2011. Over 3,000 delegates met to review progress on implementing the principles of the Paris Declaration and discussed how to maintain the relevance of the aid effectiveness agenda in the context of the evolving development landscape.

^{lxvi} Tomlinson, 2.

^{lxvii} Liesbet Steer, Cecilie Wathne, and Ruth Driscoll, "Mutual Accountability at Country Level: A Concept and Emerging Good Practice Paper," Overseas Development Institute. April 2009. 6. Available at: <http://www.odi.org.uk/publications/3277-mutual-accountability-aid-developing-countries>

^{lxviii} United Nations, "Mutual Accountability: Introduction and Summary of Recommendations." 1. Available at: http://www.un.org/en/ecosoc/newfuncnt/pdf/mali_accountability_messages.pdf

^{lxix} UN DESA, OECD, and UNDP, "Mutual Accountability for Least Developed Countries: A Framework for Aid Quality and Beyond." May 2011. Available at: http://www.un.org/en/ecosoc/newfuncnt/pdf/ldc-iv_special_event_ma-key_messages-1.pdf

^{lxx} United Nations, "The Global Partnership for Development: The Challenge We Face," MDG Gap Task Force Report. 2013. 27. Available at: http://www.un.org/en/development/desa/policy/mdg_gap/mdg_gap2013/mdg_report_2013_en.pdf

^{lxxi} Ibid.

^{lxxii} Ibid.

^{lxxiii} United Nations, "Mutual Accountability: Introduction and Summary of Recommendations." 3. Available at: http://www.un.org/en/ecosoc/newfuncnt/pdf/mali_accountability_messages.pdf

^{lxxiv} Steer, et al., 6.

^{lxxv} Ibid., 6-7.

^{lxxvi} OECD/UNDP (2014), *Making Development Co-operation More Effective: 2014 Progress Report*, OECD Publishing, 16. Available at: <http://dx.doi.org/10.1787/9789264209305-en>

^{lxxvii} For the purposes of this paper, North-South interaction is defined as the traditional relationship between donors and recipient countries that is characterized by a severe power imbalance which favors the donors.

^{lxxviii} ECOSOC, or the United Nations Economic and Social Council, is the United Nations Platform on economic and social issues.

<http://www.un.org/en/ecosoc/index.shtml>

^{lxxix} "ACBAR: Scope of Services." *ACBAR: Scope of Services*. Information/Coordination Department. 1 Feb. 2014. Web. 17 May 2014. Available at: <http://www.acbar.org/Scope-of-Services/>

^{lxxx} Liesbet Steer, Cecilie Wathne, and Ruth Driscoll, "Mutual Accountability at Country Level: A Concept and Emerging Good Practice Paper," Overseas Development Institute. April 2009. 35. Available at: <http://www.odi.org.uk/publications/3277-mutual-accountability-aid-developing-countries>

^{lxxxix} Ibid.

^{lxxxii} Ibid.

^{lxxxiii} United Nations, "Mutual Accountability: Introduction and Summary of Recommendations", 1. Available at:

http://www.un.org/en/ecosoc/newfunc/pdf/mali_accountability_messages.pdf

^{lxxxiv} (Ibid.)

^{lxxxv} Steer, et al., 35.

^{lxxxvi} Steer, et al., 8.

^{lxxxvii} Ms. Angela Bester, *Accountable and Effective Development Cooperation in a Post-2015 Era*, ECOSOC, UNDP, BMZ [March 2014], vi.

Available at: http://www.un.org/en/ecosoc/newfunc/pdf13/dcf_germany_bkgd_study_2_ma_survey.pdf

^{lxxxviii} Steer, 8-9.

^{lxxxix} CMBRI (2009), *Putting Aid on Budget. Good Practice note: Using Country Budget Systems*, German Technical Cooperation Publishing, 9.

^{xc} Ibid.

^{xcii} Task Team on Civil Society Development Effectiveness and Enabling Environment, *Review of Evidence: Progress on Civil Society-related Commitments of the Busan High Level Forum*, Secretariat of the Task Team on Civil Society Development Effectiveness and Enabling Environment, [January 2014], i. Available at: <http://taskteamco.files.wordpress.com/2014/03/review-of-evidence-1-0.pdf>

^{xciii} OECD/UNDP (2014), *Making Development Co-operation More Effective: 2014 Progress Report*, OECD Publishing, 26. Available at: <http://dx.doi.org/10.1787/9789264209305-en>

^{xciv} OECD/UNDP (2014), *Making Development Co-operation More Effective: 2014 Progress Report*, OECD Publishing, 26. Available at: <http://dx.doi.org/10.1787/9789264209305-en>

^{xcv} UNDP Capacity Development Group, 2006, 'Mutual Accountability Mechanisms: Accountability, Voice and Responsiveness', United Nations Development Programme, New York. November 2006. 5. Available at: http://lencd.com/data/docs/236-Concept%20Note_Mutual%20Accountability%20Mechanisms.pdf

^{xcvi} OECD/UNDP (2014), *Making Development Co-operation More Effective: 2014 Progress Report*, OECD Publishing, 16. Available at: <http://dx.doi.org/10.1787/9789264209305-en>

^{xcvii} Task Team on Civil Society Development Effectiveness and Enabling Environment, *Review of Evidence: Progress on Civil Society-related Commitments of the Busan High Level Forum*, Secretariat of the Task Team on Civil Society Development Effectiveness and Enabling Environment. January 2014. 8. Available at: <http://taskteamco.files.wordpress.com/2014/03/review-of-evidence-1-0.pdf>

^{xcviii} Ghani, Ashraf, and Clare Lockhart. *Fixing failed states a framework for rebuilding a fractured world*. Oxford: Oxford University Press. 2008. 8. Print.

^{xcix} United Nations, "Background Study for the 2012 DCF: Trends in International Financial Cooperation for LCDs." April 2011. 7. Available at: http://www.un.org/en/ecosoc/newfunc/pdf/ldc_study_istanbul.pdf

^{cl} UN DESA, OECD, and UNDP, "Mutual Accountability for Least Developed Countries: A Framework for Aid Quality and Beyond." May 2011. Available at: http://www.un.org/en/ecosoc/newfunc/pdf/ldc-iv_special_event_ma-key_messages-1.pdf

^{clii} Steer, et al., 6-8.

^{cliii} DAC, "Case Studies on Development Co-operation and Accountability: Uganda, Peru, Mozambique and Mal." 6 July 2012. 14.

^{cliv} UNDP Capacity Development Group, 2006, 'Mutual Accountability Mechanisms: Accountability, Voice and Responsiveness', United Nations Development Programme, New York, [November 2006], 26. Available at: http://lencd.com/data/docs/236-Concept%20Note_Mutual%20Accountability%20Mechanisms.pdf

^{clv} Ibid.

^{clvi} DAC, "Case Studies on Development Co-operation and Accountability: Uganda, Peru, Mozambique and Mal." 14.

^{clvii} Ibid.

^{clviii} Ibid.

^{clix} CMBRI (2009), *Putting Aid on Budget. Good Practice note: Using Country Budget Systems*, German Technical Cooperation Publishing. 5. Available at: cabri-sbo.org/cabri%20gpn%20eng%20proof%204%20final.pdf

^{clx} UNDP Capacity Development Group, 2006, 'Mutual Accountability Mechanisms: Accountability, Voice and Responsiveness', United Nations Development Programme, New York. November 2006. 6. Available at: http://lencd.com/data/docs/236-Concept%20Note_Mutual%20Accountability%20Mechanisms.pdf

^{cix} United Nations, “Background Study for the 2012 DCF: Trends in International Financial Cooperation for LCDs.” April 2011. 8. Available at: http://www.un.org/en/ecosoc/newfunc/pdf/ldc_study_istanbul.pdf

^{cx} UNDP Capacity Development Group, 2006, 'Mutual Accountability Mechanisms: Accountability, Voice and Responsiveness', United Nations Development Programme, New York. November 2006. 6. Available at: http://lencd.com/data/docs/236-Concept%20Note_Mutual%20Accountability%20Mechanisms.pdf

^{cxii} Steer, et al., 35.

^{cxiii} United Nations, “Mutual Accountability: Introduction and Summary of Recommendations,” 3. Available at: http://www.un.org/en/ecosoc/newfunc/pdf/mali_accountability_messages.pdf

^{cxiiii} Steer, et al., 10.

^{cxv} Ms. Angela Bester, *Accountable and Effective Development Cooperation in a Post-2015 Era*, ECOSOC, UNDP, BMZ [March 2014], vi. Available at: http://www.un.org/en/ecosoc/newfunc/pdf13/dcf_germany_bkgd_study_2_ma_survey.pdf

^{cxvi} Steer, et al., 10.

^{cxvii} OECD/UNDP (2014), *Making Development Co-operation More Effective: 2014 Progress Report*, OECD Publishing, 16. Available at: <http://dx.doi.org/10.1787/9789264209305-en>

^{cxviii} United Nations, “Background Study for the 2012 DCF: Trends in International Financial Cooperation for LCDs”, [April 2011], 8. Available at: http://www.un.org/en/ecosoc/newfunc/pdf/ldc_study_istanbul.pdf

^{cxix} OECD/UNDP (2014), *Making Development Co-operation More Effective: 2014 Progress Report*, OECD Publishing, 30. Available at: <http://dx.doi.org/10.1787/9789264209305-en>

^{cx} International Monetary Fund. “Factsheet – The IMF and the World Bank.” International Monetary Fund, 2 Apr. 2014. Web. 9 Apr. 2014.

^{cxxi} Ibid.

^{cxixii} Ibid.

^{cxixiii} Ibid.

^{cxixiiii} Ibid.

^{cxixv} The World Bank. “Civil Society – Civil Society Organizations.” *The World Bank*. The World Bank Group, 6 Nov. 2013. Web. 10 May 2014.

^{cxixvi} The World Bank. “Civil Society – Frequently Asked Questions.” *The World Bank*. The World Bank Group, 13 Feb. 2013. Web. 10 May 2014.

^{cxixvii} The World Bank. “Civil Society – Bank Funds for CSOs.” *The World Bank*. The World Bank Group, Sept. 2005. Web. 10 May 2014.

^{cxixviii} Ibid.

^{cxixxix} The World Bank. “Civil Society – Grant Resources Supported by the World Bank.” *The World Bank*. The World Bank Group, 11 Feb. 2013. Web. 10 May 2014.

^{cxixxx} Ibid.

^{cxixxxi} Ebrahim, Alnoor and Steve Herz. “Accountability in Complex Organizations: World Bank Responses to Civil Society.” *Harvard University John F. Kennedy School of Government*, RWP07-0660. 2007. Web. 12 May 2014.

^{cxixxxii} Ibid.

^{cxixxxiii} *Supra* 138.

^{cxixxxiiii} The World Bank. “Safeguard Policies.” *The World Bank*. The World Bank Group, 22 Oct. 2012. Web. 10 May 2014.

^{cxixxxv} Ibid.

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