



The Development Space Goes Global: A New Role for Global Citizens

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In this speech delivered at the 2012 Annual Conference of the Norwegian Agency for Development Cooperation, Nancy Birdsall shares her observations about the changing development space and offers three proposals to help the development community tap the potential for informed and empowered citizens push for better local and global politics. Her remarks were prepared after delivering a 2012 [speech](#) to the 2012 UN General Assembly, “Global Citizens and the Global Economy,” and foreshadowed her [2013 working paper](#), “Global Markets, Global Citizens, and Global Governance in the 21st Century.”

You have invited me here today to talk about sustainable and inclusive development, and to offer my thoughts on how a development agency like yours can help bring about that reality. But before I start I'd like to congratulate Norad on its fiftieth anniversary, and on the positive contributions you continue to make to improving lives around the globe. We at the Center for Global Development feel a certain kinship with Norway and Norad, and the work you do in the development space. Like you, we aim to punch above our weight. Often it is the smaller donors and smaller think tanks (speaking perhaps immodestly) that are able to specialize in innovation and learning and experimentation with new programs – and you have certainly succeeded at that.

I am honored to take the same platform as Gro Harlem Brundtland, a hero to all of us concerned with development – and with growth that is inclusive and sustainable.

I have three propositions about changes in the development space, and then want to describe three specific proposals we've been working on at CGD relevant to those changes. Each proposal is related to natural resource management, where the development community can build on the leadership Norway has provided and your model for natural resource management. The proposals are each radical but at the same time practical. My theme in each has to do with tapping the potential for informed and empowered citizens – in developed, developing and middle income countries – to make a difference.

My first proposition is that the development space is merging with what might be called the global space. What do I mean by 'global space'? With globalization has come a dramatic

increase in global interdependence. And an unbundling of the tight relationship between citizenship and sovereignty on one hand, and geography or territoriality on the other. More of all of our lives are affected by global forces. Sovereignty continues as the dominant order, but the social media revolution in communications and the reality of global supply chains in production are infringing more and more on the traditional domain of states.

What does this have to do with development? The quality of the lives of the poor, and the potential to transform those lives, is increasingly a function of global forces – climate, forests, the global energy market, food price hikes. Many problems are shared in common between rich and poor, and the development community is naturally turning increased attention to cross-border and global issues – to global public goods.

That makes good sense. After all, the donor system is dominated by rich and powerful countries that you could say have a comparative advantage in addressing the global issues, given the way the international system works. And the rich and powerful have an obligation to address global issues, as key actors in the system. Climate change is just one (if not the most worrying) of many examples. Natural resource management, in which, despite the good efforts of Norway, corruption that robs the poor is all too common, is another. So we are seeing a development community that is increasingly focused on global issues.

My second proposition is that the development community is in its infancy with respect to the new tools and new approaches – beyond traditional aid— for working in the global space, where politics often intervenes. It is easier to spend aid money in poor countries on health and education than to impose constraints on one's own extractive industries operating there; and it is hard if not impossible to fix governance problems in poor countries with aid money.

Take the example of natural resource management. In Tanzania, Mozambique, and Uganda, the problem will not be lack of money that traditional aid could, in principle, help. As Norwegian advisers perhaps already know well, the politics of managing newly discovered natural gas and oil will be far tougher than the economics and the engineering. The excellent NORAD Results Report emphasizes that Norway was already a strong democracy with effective institutions and significant human capital when its oil was discovered. In the area of managing natural resources the development community needs new tools to help countries and their citizens deal with their own difficult politics.

Which brings me to my third proposition: the development community ought to invent, design, and deploy new tools – inside traditional aid and beyond aid—that exploit the power of informed and empowered citizens in all countries to influence for the better local and global politics. Exploitation of the growing space for citizen action provided by social media, for example, can shift norms and help move politics in the right direction, towards

sustainability and inclusion. I have two reasons to be optimistic about the power of informed citizens.

First, the dramatic increase in the number and activity of NGOs shows more citizen engagement. There has been a ten-fold increase in the number of international NGOs with UN credential, from 6000 in 1990 to over 60,000 organizations today; the number increased eight-fold in Africa between 1996 and 2007. NGOs in Tanzania are lobbying for better government and in Uganda arguing for responsible management of oil revenues. Civil society and global citizens are increasingly pushing governments to help foster the future they want. At the global level, mixed coalitions of civil society, states, and private sector organizations are working to change the rules of the game.

Second, citizens can be ahead of their governments. As a data point from my own country, nearly two thirds of Americans would back an international agreement that cut carbon emissions 90% by 2050, yet the US House of Representatives has voted against environmental protection measures 316 times in the 112th Congress alone. U.S. citizens also express strong support for inclusive aid, to go toward things like health and education programs in low-income countries.

Politicians are subjected to short-term election cycles and often respond to particular interests; perhaps citizens are more likely to think long-term and internalize responsibility to their community and the broader common interests. We should not underestimate the impact of arming citizens with good, shared information about important issues. By empowering citizens, it may be possible to overcome the structural impediments of politics and power and achieve more inclusive and sustainable development.

To summarize, these are my three propositions: that we are living in a time when the development space is merging with the global space and cannot much longer ignore the impact of the way the global system affects development prospects; that global system problems require dealing with difficult politics; and that we need to develop and deploy new tools to better exploit the power of informed citizens in changing the system and the politics.

I'd now like to present three specific proposals for exploiting this citizen potential. All three are related to natural resource management, an area where Norway has long been a leader – as highlighted in your excellent 2012 Results Report. These proposals build on the abiding themes I discussed earlier: that an empowered citizenry, armed with information that is available to all, can make the system more accountable – whether within a country (poor or rich) or in the overall global system. They represent simple, practical ways to proceed, both within and outside of the aid system.

First is a tool called the [Forest Conservation Performance Rating](#),² or fCPR. This is a simple scorecard that rates countries by their performance against deforestation reduction targets. Independent verification is achieved using a tool called FORMA, or [Forest Monitoring for Action](#) (developed by CGD and now managed by the World Resources Institute) which calculates deforestation amounts using free satellite imagery.³ By providing a simple and reliable system to monitor, report, and verify changes in carbon stocks, the fCPR could provide a basis for determining performance-based payments to countries toward the achievement of a global target of reduced deforestation.

The appeal of an fCPR approach is that it can help avoid the challenges of complex negotiations over transfer amounts, monitoring reporting and verification (MRV) schemes, and processes for program oversight and technical reviews. Instead, Norway and other funders seeking to strengthen incentives for developing countries to protect their remaining tropical forests could announce their intention to make periodic payments for performance against some verifiable measure of forest preservation. The amount of the payments, and the metrics that underpin them, would be publicly announced, providing an incentive for officials and citizens groups in the recipient countries to strengthen forest protections. The payments can be related to incremental changes in rates. Because they are unit-based (a small improvement gets a small payment, a larger improvement gets a larger payment), ex post (payments are made for results already achieved), and periodic, they can provide incentives for continual improvements over time.

The system is simple, so that citizens around the world can understand and participate in it. People and organizations across the public and private sectors want to protect forests for a variety of reasons – from reducing carbon emissions to protecting biodiversity to maintaining natural habitats. A system like this could encourage full participation from diverse constituents in a transparent system, rewarding recipients for their successes without unnecessarily (and often harmfully) burdening them with typical donor processes and requirements.

My second proposal is called [Oil-to-Cash](#).⁴ Norway is of course a strong example of how democratic accountability can prevent the curse of corruption that so closely trails a natural resource discovery. However oil rich countries without pre-existing governments that are accountable to citizens have not always shared Norway's positive experience; for low-income countries the more common experience is that billions of dollars of revenue are wasted, lost or stolen, and that governance gets worse, not better, with a sudden resource windfall.

The idea of Oil-to-Cash is also simple: in countries with natural resources, the government transfers some or all of the revenue from resource extraction directly to citizens, via a regular and transparent payment. Depending on the total amount of revenue, this can be a universal transfer to all citizens or targeted to some subset of the population – based, for example, on

income, age, or other criteria. The idea is that when citizens are informed about the value of the resource asset and derive some benefit from it, they realize they have a collective interest in ensuring the resource is well managed. Information creates an engaged citizenry; transparency helps forge a social contract between government and its citizens.

Is there a role for Norway in promoting Oil-to-Cash? I know that many countries with oil windfalls turn to you for advice, particularly given your extensive and long-running Oil for Development program. Perhaps you will find opportunities to propose to countries that they consider direct distribution as one other possible option for exploring natural resource windfalls to promote broader and more inclusive development that relies on citizen-based accountability.

My last proposal is again in an area where Norway has taken the lead: on full transparency in government contracts and financial flows. With Oslo as headquarters of the EITI International Secretariat, and with your long-time membership in Publish What You Pay, you are strong advocates for transparency and accountability in financial flows – what a colleague of mine calls [Publish What You Buy](#),⁵ referring to what governments buy – whether services or goods. However these efforts are currently limited to transparency in the extractives industry. Jurisdictions including the United Kingdom and Colombia have introduced contract publication, and I would encourage your country to join the ranks of these public exemplars by disclosing all of your public contracts.

Secondly, I would ask for your leadership in establishing an international system that creates the data sharing mechanisms and standards necessary to identify and eliminate illicit and illegal transactions, across sectors. Illicit financial flows rob developing countries from substantial resources. I believe the argument for confidentiality in these areas – that it is critical to protect the privacy and/or proprietary interests of the organizations involved – is trumped by the public value of shared and open information. Just last week British Secretary of State Justine Greening announced key steps DFID will take to support efforts on aid transparency and accountability. By taking similar steps, Norway could help deliver on its responsibility to give voice to the collective interests of a global citizenry.

In closing, I'd like to reiterate the central theme running through my remarks today: that there lies tremendous power in an informed and engaged citizenry. By instituting transparency and creating tools to make information freely available, we can empower an expanding and increasingly engaged global citizenry to hold governments to account.

¹ cgdev.org/publication/global-citizens-and-global-economy ; cgdev.org/publication/global-markets-global-citizens-and-global-governance-21st-century-working-paper-329-0

² cgdev.org/page/forest-conservation-performance-rating-fcpr

³ cgdev.org/initiative/forest-monitoring-action-forma

⁴ cgdev.org/initiative/oil-cash-fighting-resource-curse-through-cash-transfers

⁵ cgdev.org/publication/publish-what-you-buy-case-routine-publication-government-contracts