

POLICY MEMORANDUM:

REDUCING CORRUPTION AND INEFFICIENCIES BY
STIMULATING COMMUNITY OWNERSHIP OF DEVELOPMENT
THROUGH YOUTH CORPS IN PARTNERSHIP WITH THE
GLOBAL DEVELOPMENT LEARNING NETWORK

ATHGO 3rd Annual Global Forum
Group 11

MEMORANDUM FOR THE WORLD BANK

FROM: GROUP 11, ATHGO Global Forum 2008

SUBJECT: Building Community Ownership & Capacity, Reducing Corruption & Inefficiencies

- I. Lack of communication between project developers and community members leads to the inefficient or corrupt use of World Bank funds. This disconnect undercuts a sense of ownership among receiving communities, which reduces community oversight and opens the door for corruption and the implementation of unsustainable projects.
- II. Despite efforts to enhance transparency and accountability, the World Bank continues to suffer from the perception that it is tolerant to corruption and inattentive to community needs. The Department of Institutional Integrity, established to combat corruption, draws attention to offending companies and in doing so exposes substantial shortcomings in the monitoring of bank funds.
- III. We propose the establishment and training of community-level “Youth Development Corps” (YDC’s) to scale-up community outreach efforts, establish reciprocal communication between Bank and community stakeholders, and involve local beneficiaries in all phases of development process, such as:
 - a. Needs assessment and demand-driven identification of projects
 - b. Feasibility for sustainability
 - c. Project implementation and local procurement
 - d. Community-based monitoring of progress

Empowering youth and placing decision-making in the hands of the community creates a sense of local ownership over the development process, build capacity for long-term sustainability, and create opportunities for youth involvement in development. The project will build on existing World Bank networks and university partnerships, utilizing the Global Development Learning Network (GDLN) as an architecture through which to recruit youth, deepen communication with local stakeholders, and build vertical as well as horizontal relationships.

- IV. Implementation will take place in three phases:
 - a. Planning Phase (2-3 months): Group 11 works with the World Bank to incorporate YDC’s into GDLN sites, develop youth training programs with GDLN centers, and identify locations of failed development projects to target for pilot phase.
 - b. Pilot Phase: YDC’s in target sites are briefed on their own community’s experience with failed projects and trained to disseminate that information throughout their communities and receive feedback. Time frames will depend on the specific nature of the project and the demands and capacity of the local community.
 - c. Final Phase (variable time frame): Replicate YDC ownership projects in new communities. At this stage our group will step back and provide oversight as necessary.

BACKGROUND INFORMATION

The World Bank's treatment of corruption has come a long way since 1996, when James Wolfensohn brought to the table the "cancer of corruption." In twelve years, the Bank has gone from a policy of closed lips to developing systematic and institutionalized mechanisms for dealing with corruption that have led not only to the reduction of misallocated resources but also to a gradual revival of donor contributions.¹ These mechanisms include the creation in 1996 and consistent reform of a standardized sanctions through which the Bank may deny funding to potential aid recipients, as well as the establishment of the Department of Institutional Integrity in 1999.² This department initiated the World Bank's Voluntary Disclosure Program to encourage transparency and offer a second chance to companies who have engaged in corrupt activities in the past. The bank also manages and publicizes a list of companies and individuals who have been debarred for misusing Bank resources. So far the list includes over 350 separate entities, and the last several years have seen a staggering decline in the number of corruption-related disbarments.³ In Fiscal year 2004, the Department of Institutional Integrity disbarred 71 individuals and 55 firms, and in 2005 the numbers were 55 individuals and 54 firms. Yet by 2006, the deterrent had set in and only 4 firms and 9 individuals were sanctioned.⁴

As the statistics reveal, these programs have had astounding success in combating corruption from the top down. At the same time, the corrupt practices exposed by the Department of Institutional Integrity also highlight the severe weakness in Bank oversight at the community level that enabled corrupt projects to continue to such an extent. The World Bank has taken measures to enhance interaction at the community level, such as the Knowledge for Development resource centers that educate local communities about Bank projects both locally and around the world. These outreach centers are significant, however they cannot substitute for a bottom-up approach for gathering information.

In addition to current World Bank measures to fight corruption and engage civic action in the local communities, a new community-based approach is needed. The Bretton Woods institutions have long been criticized as pro-Western, and the absence of a substantive, community-based approach to development aggravates that suspicion, cultivating an environment of, at best, lukewarm sentiment for the World Bank.

In order to establish effective community surveillance of Bank projects, the communities must embrace a sense of ownership over the projects being implemented in their communities. This is best addressed through our proposed Youth Development Corps (YDC's) who will partner with their local Global Development Learning Network (GDLN) sites to assess the needs of the community for demand-driven development, and also to lead public awareness campaigns about past, present and future projects.

¹ Mallaby, Sebastian, "Wolfowitz's Corruption Agenda," *Washington Post*, 20 Feb 2006, p. A21.

² The World Bank, *Reform of the World Bank's Sanctions Process, Revised*, 28 June 2004; Department of Institutional Integrity, "About Integrity," <<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/ORGUNITS/EXTDOI/0,,contentMDK:20659342~menuPK:1701693~pagePK:64168445~piPK:64168309~theSitePK:588921,00.html>>.

³ The World Bank, *10 Things You Never Knew About the World Bank*, Washington, D.C.: World Bank, 2007.

⁴ Department of Institutional Integrity. *External Investigations and Sanctions*.

The Global Development Learning Network, which partner with the World Bank on a limited level, is a consortium of over 120 global institutions, private businesses, government agencies, and nongovernmental organizations dedicated to capacity building through training sessions and global dialogue. GDLN has sites all over the world, and many are in universities and educational centers. Affiliates of this global network have strong ties to both the local and international community. These organizations and offices are precisely the ideal institutions to work with the World Bank on the establishment of local YDC's. Community-based institutions that have direct contact with youth will have the credibility and local access to effect the community on a level the Bank cannot reach standing alone.

For more information on the Global Development Learning Network, go to <<http://www.gdln.org/>>.