

Donors influencing other donors and development outcomes

Huma Haider

Independent consultant

12 Jul 2018

Question

What are ways in which donors influence other donors (intentionally or incidentally) in terms of adopting particular development policies and achieving development outcomes? What activities/methods have worked or exhibit potential for success?

Contents

1. Overview
2. Multilateral development agencies
3. Triangular cooperation
4. Research & evidence
5. Global goals
6. Competition and geo-politics
7. References

The K4D helpdesk service provides brief summaries of current research, evidence, and lessons learned. Helpdesk reports are not rigorous or systematic reviews; they are intended to provide an introduction to the most important evidence related to a research question. They draw on a rapid desk-based review of published literature and consultation with subject specialists.

Helpdesk reports are commissioned by the UK Department for International Development and other Government departments, but the views and opinions expressed do not necessarily reflect those of DFID, the UK Government, K4D or any other contributing organisation. For further information, please contact helpdesk@k4d.info.

1. Summary

There is growing interest in ways in which donors can be influenced. While there is some nascent literature on how behavioural insights can be used to influence policy makers (see Helpdesk report, no. 1426), there is very limited research and evidence on the ways in which donors influence other donors. Based on the available literature, this report focuses in large part on descriptive research on influencing multilateral development agencies (much of which is focused on DFID) and on triangular (or trilateral) cooperation, involving emerging donors.

Bilateral donors can attempt to influence **multilateral development agencies** to adopt particular approaches and to achieve particular development outcomes through various means:

- **Financing:** Donors have sought to influence multilateral agencies through their financial contributions and the negotiations that occur in advance of funding replenishment.
- **Formal structures:** Donors can achieve influence through their formal voting shares or seats on the board of multilateral agencies; engagement at board meetings; and negotiation of framework agreements, such as Memorandums of Understanding.
- **Strategy:** In order to improve the chances of influence, bilateral donors need a clear strategy for their engagement with the multilateral system as a whole.
- **Leadership positions and secondments:** Influence can come from more informal channels, such as placing senior-level nationals in leadership positions, to influence key decision makers; and fostering positive relations among staff in different agencies. Relations can improve with consistent engagement and the development of mutual trust.
- **Knowledge and thought leadership:** Donors considered to be key thought leaders have a greater chance of having a significant impact on the policy and research agenda of multilateral agencies.
- **Oversight:** Bilateral donors can provide effective oversight of multilateral agencies, as a shareholder and a donor.

Triangular cooperation involves a development partnership between at least one member of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) and one or more providers of South-South cooperation. Trilateral cooperation can foster mutual trust between traditional donors and new donors, and promote mutual learning and friendly relations. Traditional donors see triangular cooperation as a way to safeguard Northern influence over South-South cooperation, bringing about a convergence of norms and practices between traditional donors and new donors (Paulo, 2018; Lengfelder, 2016; Kondoh, 2015; Hausmann, 2014). It provides a way for traditional donors to influence and sensitise new donors to aid effectiveness principles and to foster a shared understanding of development cooperation. If new donors learn aid practices from DAC member countries, they are more likely to adopt a similar regime as the DAC aid model (Kondoh, 2015).

In the case of China-UNDP triangular cooperation, the UNDP has effectively influenced the Chinese government's thinking as an advisor to the Chinese government on aid cooperation (Zhang, 2017). DFID, has also attempted to positively influence China's engagement with international development through triangular cooperation and investment in technical assistance, training, exchange visits and research studies with China. Alongside establishing a USAID counsellor position in Beijing, the US has engaged directly with China's top leaders on development cooperation, in order to secure political commitment from China for specific trilateral projects. In comparison, US and UK models of triangular cooperation with India have a weak

government-to-government dimension, centring on leveraging the strengths of India's non-state actors, civil society organisations and research institutes.

Challenges involved with triangular aid cooperation include: complicated coordination efforts and high transaction costs; fragmentation in development cooperation and in country strategies; absence of a shared narrative among all countries involved; inadequate evaluation; and lack of clarity on what indicators to adopt to measure success. Triangular cooperation can also be challenging if it does not build on an existing, strong partnership. This was the case with Brazil and Canada (Farias, 2015), for example, in contrast to the China-Australia-Papua Guinea's malaria project, which built on a natural interest and firmer partnership (Zhang, 2015a).

Capturing, documenting and sharing **research and evidence** of impact and learning can also be effective in influencing other donors to adopt or replicate particular approaches. In addition, **global goals**, such as the Sustainable Development Goals, have the power to influence policy behaviour and development agendas, serving as incentives for governments and others to mobilise for important objectives.

The mere presence of non-DAC donors can also influence the actions of other donors. An empirical study reveals that the World Bank attaches fewer conditions to its loans in Africa when China is also a donor (Hernandez, 2017). This is most likely in order to maintain its level of involvement in the region despite competition from new donors (Hernandez, 2017).

2. Influencing multilateral development agencies

Bilateral donors can leverage and impact the multilateral system, aligning agencies around key development themes (e.g. gender, promoting reform and improving results) to achieve their development objectives (see ICAI, 2015). EU member states, for example, use the EU to pursue a variety of development objectives, through multiplying or projecting influence, extending geographical reach, benefiting from economies of scale, or improving efficiency or impact (Gavas and Maxwell, 2017). DFID, for example, has consistently encouraged multilateral agencies at the country level to focus on results and value for money (ICAI, 2015). While the system as a whole has been slow to change, individual agencies have responded well to these goals. They have improved value for money at both country and project levels (ICAI, 2015).

Financing

Donors have sought to influence multilateral agencies through their financial contributions. The willingness of DFID to co-finance World Bank projects (even on a small scale), for example, has increased DFID's negotiation capacity (Bird et al., 2005). DFID's funding and reputation has made it effective in pushing for improvements in performance and seeking to set specific agendas with its partner multilateral agencies (ICAI, 2015). Negotiations to replenish Asian Development Bank (ADB) funding, which occurs every four years, constitute the main high-level engagement between DFID (and other donors) and the Bank. There is evidence that DFID has been successful in using financing and its minority shareholding in the ADB to influence the agency's strategy, policies and internal reforms. This includes garnering ADB support for a measurable results framework, inclusive growth, gender-based reforms, climate change initiatives and operational effectiveness (ICAI, 2012a). In India, DFID's provision of funding in some of the poorest states has encouraged the ADB to become more heavily engaged in those states, with greater levels of loan approval (ICAI, 2012a).

There are limitations, however. Greenhill and Rabinowitz (2016) note that donors are more inclined to delegate more money to multilaterals who already share their objectives and are thus less in need of influence. In such cases, financing may not necessarily play a role in influencing. In addition, as there are multiple donors to multilateral agencies, it is difficult for any one donor to influence the agencies. While replenishment negotiations for the European Development Fund provide opportunities for DFID policy influence, for example, the UK is only one among many funders (ICAI, 2015).

Formal structures

Influence can come from formal voting shares or seats on the board of multilateral agencies (Greenhill and Rabinowitz, 2016). DFID and the UK delegation to the World Bank, for example, provide effective oversight of the Bank, as a shareholder and as a donor. They engage with the Bank's management to influence priorities, monitor delivery and improve effectiveness (ICAI, 2012b). Engagement occurs regularly, at the strategic level, through meetings of the Board of Governors and through the International Development Association replenishment process; and, at the policy level, through Executive Board meetings. DFID staff in policy teams, and in country offices, also interact directly with their counterparts in the Bank (ICAI, 2012b; ICAI, 2015). Further, DFID often co-chairs and leads donor co-ordination mechanisms, development plan steering structures to align key activities, and forums to bring coherence of impact at country or sectoral levels (ICAI, 2015). Its involvement in such structures has helped to foster collaboration (ICAI, 2015).

DFID's investment in the Climate Investment Funds (CIFs), administered by the World Bank, and its seat on the CIF Trust Fund committee, has allowed for on-going engagement and dialogue. This has facilitated DFID's influence of the CIFs at both Board and technical levels, in terms of strengthening results frameworks, gender approaches, targeted development programmes, and transparency and inclusiveness (ICAI, 2015).

According to a review, conducted by the ICAI, on DFID's engagement with the World Bank, senior executives at Bank headquarters considered the contributions of the UK delegation members as 'active and constructive' (ICAI, 2012b). DFID has also used its minority shareholding to effectively influence objectives of the Asian Development Bank. The ICAI review of DFID's engagement with the ADB revealed that senior management in the Bank commented positively on the UK's contributions to influencing the Bank's policies and performance (ICAI, 2012a). DFID has limited resources, however, in terms of staff, to carry out its shareholder role in multilateral agencies (ICAI, 2012a). Its ability to fundamentally shift the focus of the organisations is thus constrained (ICAI, 2015).

Donors have also attempted to increase their influence within key multilateral agencies through the negotiation of framework agreements, such as Memorandums of Understanding (MoUs). Such MoUs can give a greater degree of influence and visibility for donor's multilateral aid (Greenhill and Rabinowitz, 2016). Australia, for example, has partnership agreements with 17 multilateral agencies, including the World Bank and ADB, driven by interests in leveraging support in the Pacific. France has also influenced multilateral agencies to better meet its objectives. For example, during the 15th IDA replenishment, France was successful in gaining a commitment by the World Bank for greater resources to Sub-Saharan Africa – and to priority countries for French cooperation (Greenhill and Rabinowitz, 2016).

Strategy

An ICAI review of engagement with multilateral agencies emphasises that DFID lacks a clear strategy for its work with multilaterals. In addition, its focus on results and on improving agencies' management processes has often been at the expense of strategic dialogue on what multilaterals do and how they do it (ICAI, 2015). With regard to the EU, DFID's engagement varies from country to country. This is due in part to the absence of a clear strategy on how to influence the EU and its programming and spending (ICAI, 2015).

Bilateral donors should adopt a clear strategy for interventions for each multilateral agency that matches their needs and be clear about the roles that they expect the different types of agencies to play, such as in relation to standard setting, co-financing, policy shaping and delivery (ICAI, 2015). The Sustainable Development Goals are a way in which to develop multilateral strategies and objectives at the country level (ICAI, 2015) (see 'Global goals' section). A focus on specific issues can lead to improvements in multilateral impact in line with donor country priorities, such as efforts to improve gender equality (ICAI, 2015). For example, DFID successfully ensured that improved performance measures concerning gender were included when it negotiated its 16th IDA replenishment (ICAI, 2015).

Leadership positions and secondments

Influence can come from more informal channels, such as having nationals in leadership positions (Greenhill and Rabinowitz, 2016). The extent to which such positions actually confer influence, however, is unclear (Greenhill and Rabinowitz, 2016). DFID's engagement with other agencies at senior level has been dominated by efforts to align them behind disciplines similar to those held by those in the department themselves (ICAI, 2015).

There is a greater chance of influencing multilateral agencies when relations between bilateral donors and multilateral agencies are good, on an institutional level and a personal level between individual members of staff (Bird et al., 2005). Such relations improve with consistent engagement from experienced staff, particularly on the technical level (ICAI, 2015). However, there is often insufficient assignment of senior staff and level of interaction with multilateral agencies, which seems inconsistent with the high proportion of funds given to these agencies. While some agency relationships, such as the DFID-World Bank relationship, are well resourced, the quality of DFID offices' engagement with the EU at country level is variable (ICAI, 2015).

DFID can improve its influence by ensuring that staff deployed to multilateral agencies are at a senior level and have the skills and experience necessary to influence key decision makers (ICAI, 2015). The most important multilateral relationships should have a senior person at Management Board level, for example, with responsibility for maintaining key personal relationships and overseeing the network of inter-agency staff interactions (ICAI, 2015). Experienced and senior DFID staff can have a large influence on multilateral agencies, not only through their presence in UK delegations, but also through secondments. DFID secondees at multilateral agencies' headquarters and country offices regularly provide an opportunity for mutual learning, including contextual learning to improve programme delivery. They also play a key role in driving institutional reform (ICAI, 2015).

In the case of the UNDP and China, secondment of Chinese officials to UNDP headquarters and regional offices provided the opportunity for officials to better understand the UNDP's aid policies and to diversify their experience (Zhang, 2017). These secondments have yielded tangible

results, including new projects between China and the UNDP concerning renewable energy in Fiji and urban community development in Bangladesh (Zhang, 2017).

Knowledge and thought leadership

DFID is considered by multilateral agencies to be a key thought leader. This allows it to have a significant impact on the policy and research agenda of multilateral agencies (ICAI, 2015). There are concerns, however, that DFID's contribution to thought leadership has diminished in recent years, connected to the donor's shift towards a more transactional, rather than transformational, approach in its interactions with multilateral agencies (ICAI, 2015).

DFID has also adopted a pro-active approach in the past to discover information about current work within the World Bank, such as on Poverty and Social Impact Analysis (PSIA), by requesting progress reports and attending World Bank organised workshops. This has increased the donor's ability to provide input and influence PSIA processes (Bird et al., 2005).

Oversight and emphasis on results

DFID provides effective oversight of the World Bank, as a shareholder and a donor. It has advocated for improved cost effectiveness in agencies (ICAI, 2015). DFID's focus on results and technical issues, however, can undermine its contribution to ideas and insights and determination of strategic priorities (ICAI, 2015). Interviews with multilateral agencies reveal that DFID's insistence on its results framework can be overly cumbersome and bureaucratic (ICAI, 2015).

3. Triangular cooperation

Triangular cooperation involves a development partnership cooperation, involving at least one bilateral provider from the OECD-DAC (or an international organisation) and one or more providers of South-South cooperation. The purpose is to promote sharing of knowledge and experience and implementing development projects (OECD, cited in Paulo, 2018, p. 3; Hausmann, 2014, p. 36). Traditional bilateral and multilateral donors act as 'facilitators' that contribute funding in addition to experience and know-how of managing development cooperation (Paulo, 2018). They also support triangular cooperation through their extensive networks of embassies and development agencies throughout the developing world (Paulo, 2018).

Triangular cooperation can be seen as a way to safeguard Northern influence over South-South cooperation and to transform donor strategies with emerging powers and other middle income countries (Paulo, 2018). In the case of the UK, for example, its exit as a donor from China, India, Indonesia and South Africa was accompanied by transition to a new kind of relationship (ICAI, 2016). Trilateral cooperation builds up mutual trust between traditional donors and emerging donors, and promotes mutual learning (Zhang, 2015a). Emerging economies can transfer knowledge to traditional donors and third countries from their own development experiences (Hausmann, 2014).

The expansion of trade relations can be a strong motivation for fostering strategic partnerships with emerging countries. Triangular cooperation can foster friendly relationships, which may result in increased trade volumes, better market access and free trade agreements (Lengfelder, 2016). Trade, thus, can be an additional incentive to engagement in triangular cooperation.

Spreading DAC norms

Aid from emerging donors are not subject to OECD-DAC evaluation mechanisms (Lengfelder, 2016). The position of emerging donors on global development issues and their support for developing countries are shaped by their own values and interests, which may well be different to the views of members of the OECD-DAC (ICAI, 2016). More experienced donors may feel that they should pass on their expertise, whereas new donors may believe they have their own way of doing things. Trilateral cooperation provides an opportunity for dialogue and exchange (Lengfelder, 2016).

Identities and donor norms are influential in building and re-building aid models. Chinese aid has been appreciated in part because its approach is distinct from the DAC aid model. In contrast, South Africa has incorporated elements of the DAC aid model in order to appease its neighbours who are apprehensive about their asymmetric relationship and trade dependency on South Africa (Kondoh, 2015). If an emerging donor learns aid practices from DAC member countries, it is more likely to adopt a similar regime as the DAC aid model (Kondoh, 2015). Learning through triangular relationship can thus influence the process of convergence of emerging donors (Kondoh, 2015).

Traditional donors see triangular cooperation as a way to bring about a convergence of norms and practices between emerging countries and DAC donors, allowing them to influence and sensitise new donors to aid effectiveness principles and foster a shared understanding of development cooperation (Paulo, 2018; Lengfelder, 2016; Kondoh, 2015; Hausmann, 2014). This can contribute to integrating Southern partners into the established international architecture of development cooperation (Paulo, 2018; Lengfelder, 2016). Germany has engaged in triangular cooperation projects with China, for example, with the intention of aligning China's aid with sustainability standards (Lengfelder, 2016). DAC donors can also seek to impart their experience with development cooperation to new donors through their integration into triangular agreements (Lengfelder, 2016). Further, DAC donors and multilateral agencies produce and disseminate new norms on development and aid through a range of annual publications (Kondoh, 2015).

China

The increase in China's development aid in recent years has contributed to its growing desire to learn useful aid policies and practices from traditional donors and UN agencies, such as on aid procedures, evaluation and monitoring (Zhang, 2017). In turn, traditional donors and multilateral agencies have pushed for triangular aid cooperation with China, while phasing out or reducing aid to China. They expect that such cooperation could facilitate their understanding of Chinese foreign aid and increase their leverage and influence over China's aid policies. Chinese officials have noted that where they believe western countries are faring better, they will absorb their good practices (Zhang, 2017).

Multilateral agencies: The Chinese definition of foreign aid differs from the OECD's definition of Official Development Assistance. Concessional loans, for example, account for more than half of Chinese aid spending while some traditional donors only provide grants (Zhang, 2018). Although China has charted a donor path different from OECD-DAC donors, it has engaged with the OECD-DAC. They established a study group in 2009, for example, with the aim of both promoting knowledge sharing and experience exchanges between the two sides and introducing China's development experience to Africa (OECD, 2011; cited in Zhang, 2018).

The European Union and China have also differed in their approaches to international development assistance. EU member states have been supportive of the trilateral cooperation initiative with China, with the hope of fostering a strategic relationship between Africa, China and the EU that does not deteriorate into antagonistic competition for Africa (Hooijmaaijers, 2018). In 2008, the European Parliament adopted a resolution on China's policy in Africa, alleging that China's unconditional support for African autocracies has caused human rights violations. It urged China to cut down its fiscal support to those regimes (Hooijmaaijers, 2018).

In the case of China-UNDP triangular cooperation, the UNDP has effectively influenced the Chinese government's thinking as an advisor to the Chinese government on aid cooperation. The Ministry of Commerce and Ministry of Foreign Affairs, People's Republic of China have frequently approached the UNDP for policy advice (Zhang, 2017). The UNDP has produced policy reports for China, with advice on the evolution of the then G20 working group; and provided counsel on potential areas of development cooperation between China and Africa. The Ministry of Commerce and UNDP have also engaged in joint research on the Pacific island countries and identified potential areas for trilateral aid cooperation between traditional donors and China; while the Ministry of Foreign Affairs and UNDP have co-hosted an international workshop on the post-2015 development framework (Zhang, 2017).

UK: DFID's business plan for working with China, prepared in 2016, identifies as one of its strategic objectives positively influencing China's engagement in the international development system and its contribution to international public goods, such as climate change mitigation (ICAI, 2016). It seeks to provide direct support to improve the developmental impact of Chinese investments in third countries, particularly in Africa, through triangular cooperation. China and DFID have piloted trilateral aid partnerships in Malawi, Uganda and Bangladesh (Zhang, 2018).

DFID also invests in technical assistance, training, exchange visits and research studies with China. It is unclear, however, the extent to which such initiatives have yielded results. While there are some indications that China has shown more willingness to work jointly with DFID and other donors, trilateral cooperation has taken time to develop and may not deliver at the intended scale. DFID China has committed to measuring and capturing results more systematically (Zhang, 2018).

US: The United States has also attempted to use trilateral development cooperation with China in part to shape the country into a responsible stakeholder, whereas China uses such cooperation to build a positive image, learn from traditional donors, and to strengthen the broader China-US relationship (Zhang, 2017 and 2018). Alongside establishing a USAID counsellor position in Beijing in 2008, the US has engaged directly with China's top leaders on development cooperation, which has been important in securing political commitment from China for specific trilateral projects. The two countries have been providing joint training for Afghan diplomats since 2013, and completed an agricultural aid project in Timor-Leste, drawing on China's own expertise in small-scale agricultural farming and experience in eradicating extreme rural poverty (Zhang, 2018 and 2015b). In 2015, China and the US signed a MoU on development cooperation and pledged to engage in further trilateral cooperation (Zhang, 2018). At the same time, the US has been a vocal critic of Chinese aid, which has evolved distinctly from the OECD-DAC (Zhang, 2018).

Australia: Australia and China signed a MoU on development cooperation in 2013, agreeing to conduct triangular cooperation on priority areas, including health (Zhang, 2015a). Trilateral aid cooperation is considered to be an important way for Australia to influence China's aid delivery

and also for Australia to draw on China's own recent development experience, for example in eradicating malaria within its own borders (Zhang, 2015a). The Australia-China-PNG malaria project is considered to be a success in part because it drew on a shared interest and firm partnership (Zhang, 2015a). Such cooperation can strengthen mutual trust between traditional and emerging donors China, and promote mutual learning (Zhang, 2015a).

Japan: Japan has attempted to promote dialog and cooperation in Asia, in part through triangular cooperation with emerging donors. It cultivates positive diplomatic relations and friendships through triangular cooperation in projects that are consistent with the policies or the needs of the partner and beneficiary countries (MOFA, Japan, 2013). Japan's triangular cooperation has resulted in extensive third-country training and dispatch of third-country experts, with positive evaluations given by partner and beneficiary countries (MOFA, Japan, 2013). It has also resulted in improved understanding of Japan's diplomatic goals by partner and beneficiary countries, such as in the case of trilateral cooperation with Malaysia and the Republic of Zambia (MOFA, Japan, 2013).

India

Triangular cooperation is also a growing trend in India's global engagement, with official government endorsement and high-profile initiatives, such as the Indo-Japanese plan for an Asia-Africa Growth Corridor (Paulo, 2018). DFID/India's 'Global Partnerships Team' and USAID/India's 'Centre for Innovations and Partnerships' are examples of organisational innovations, serving as hubs for expertise, knowledge and partnership building (Paulo, 2018). The UK and US models of triangular cooperation with India have a weak government-to-government dimension, centring instead on leveraging the strengths of India's non-state actors, civil society organisations and research institutes, among others (Paulo, 2018).

UK: The Indian Ministry of External Affairs and DFID signed the 'Statement of Intent on Partnership for Cooperation in Third Countries' in 2015. It reaffirms the aims of the two countries to deepen their cooperation in developing countries and to jointly assist these countries to address their development challenges. India-UK triangular cooperation include the 'Global Research Partnership on Food and Nutrition Security, Health and Women' and the South-South aid-for-trade programme 'Supporting Indian Trade and Investment for Africa' (Paulo, 2018). Indian partners have emphasized the collaborative nature of the partnerships with the UK and various contributions made by the UK, including the identification of partners and support of implementation of initiatives in African countries (Paulo, 2018).

Triangular cooperation could be strengthened through: the creation of focal points for such cooperation in Indian overseas representations and DFID country offices, which could facilitate interaction and cooperation with governments in Africa; and the strengthening of transnational networks, such as among research institutions (Paulo, 2018)

Brazil

Japan: A successful example of triangular cooperation between Japan, Brazil and Angola involved strengthening the health system in Angola. Angola benefitted from Brazil's centres of excellence, which supported improvements in primary and tertiary healthcare in Angola, alongside Japan's financial and technical support. This included provision of experience on maternal and child health handbooks (Sakurai, 2015). The benefits produced by this collaboration indicates that traditional and multilateral donors should identify and work with

existing Southern centres of excellence in key development areas, through triangular arrangements (Sakurai, 2015).

Canada: Canada's development relationship with Brazil has evolved from a donor/recipient one to that of development cooperation partners, with the rise of Brazil as a development provider itself. Canada seeks initiatives of interest to itself and Brazil in third countries, to be implemented through trilateral cooperation. Canada, through the former Canadian International Development Agency (CIDA), signed a MoU with its counterpart in Brazil in 2011 to advance the two countries' development relationship through policy dialogue, joint policy research, greater institutional linkages and technical cooperation activities in third countries (see Farias, 2015). There have been various challenges, however, including: the relationship between Brazil and Canada has never been particularly strong; and there is not a deep sense that each other is essential for their foreign policy objectives. In addition, their approach to development assistance may diverge, with criticism from development actors in Brazil that Canada's approach at the time increasingly linked cooperation to financial conditionalities (Farias, 2015).

South Africa

Canada: In comparison, Canada and South Africa have an established relationship, as longstanding, significant political and commercial partners; with common values, particularly equality, democracy, peace, security and prosperity; and shared interest in multilateralism (see Besada and Tok, 2015). This can serve as the foundation for a strong development partnership between the two countries, whereby Canada contributes knowledge, expertise and best practices and, in turn, benefits economically from strengthened and stable emerging markets in Africa. In turn, South Africa can leverage triangular cooperation with traditional and multilateral donors and counter the increasing competition it faces as a potential donor in Africa from established and emerging donors (Besada and Tok, 2015).

The South African Development Partnership Agency (SADPA) coordinates South Africa's foreign assistance. As a relatively newly established agency, Canada could initially play an advisory role, providing SADPA with technical expertise through short- and long-term training in various areas, such as anti-corruption standards, financial management, and monitoring and evaluation (Besada and Tok, 2015).

Turkey

Germany: Turkey has become an important actor in the global economy in recent years. It has also developed into a new donor country. Germany is an example of a traditional donor that has sought to strengthen bilateral diplomatic and trade relations with Turkey, through triangular cooperation (Hausmann, 2014). Turkey is also interested in positive relations with Germany, and on a broader scale, the EU. Triangular cooperation can thus be used to maintain existing relations and networks, while contributing to the development of new networks in different sectors (e.g. politics, science, economics, technology) of the countries, deepening bilateral exchange (Hausmann, 2014).

Triangular cooperation can also serve the interests of Germany and Turkey at the structural level of international development policy, as the two countries can complement the other's objectives. In order to effectively shape global development agendas, Germany seeks to promote the involvement of important emerging economies (Hausmann, 2014). Turkey also seeks to

contribute more to international processes and to establish itself in the international donor landscape (Hausmann, 2014).

Challenges

Challenges involved with engaging in triangular aid cooperation include:

- Complicated coordination efforts and high transaction costs (Zhang, 2015a; Hausmann, 2014).
- Fragmentation in development cooperation, with the persistence of small and scattered projects in the form of training, dispatching experts, exchange visits, capacity building and human resource development (Paulo, 2018; Hausmann, 2014).
- Fragmentation in a singular country's strategy – i.e. failure to embed triangular cooperation within a country's broader foreign policy (Paulo, 2018).
- Absence of a shared narrative among all countries involved. For example, Indian observers disliked the UK's ambiguous position on China's Belt and Road Initiative (Paulo, 2018).
- Inadequate evaluation, comparing the impact and value of triangular cooperation to other forms of traditional technical cooperation projects or less costly instruments such as joint symposia or specialist exchange programmes (Lengfelder, 2016; Honda and Sakai, 2014; Hausmann, 2014).
- Lack of clarity on what indicators to adopt to measure the degree of success of triangular cooperation: e.g. by the amount of resources mobilised; the development result achieved; the win-win-win situation created etc. (Sakurai, 2015).

4. Research & evidence

Capturing, documenting and sharing evidence of impact and learning can be effective in influencing other donors to adopt or replicate particular approaches (Albu and Schneider, 2008). Success in joint activities, and the publication of such success, is likely to encourage repeat experience, creating a virtuous cycle (Gavas and Maxwell, 2017).

A review conducted by ICAI (2015) on DFID's engagement with multilateral agencies finds that DFID tends to place a premium on research and to share its research initiatives and insights with multilateral agencies. There were positive reports of DFID staff as 'thinkers' (ICAI, 2015). DFID also uses evidence, such as findings from country monitoring, to shape the agenda of the World Bank (ICAI, 2015). DFID's International Financial Institutions Department, for example, worked closely with the World Bank team on the establishment of the regional hub in Nairobi and provided feedback from its country monitoring to inform the process (ICAI, 2015). In addition, Myers et al. (2017) find that research evidence and policy analysis, generated by DFID's funding and translated into publications, is directly influencing other donors to take media assistance more seriously and to understand it better.

In addition, in advance of IDA16 replenishment negotiations with the World Bank, DFID was successful in getting key policy areas as special themes in the final agreement by developing working papers and working with like-minded donors and the World Bank to inform and influence discussions (ICAI, 2015).

The former Australian Agency for International Development (AusAID) introduced the Australian Development Research Awards Scheme (ADRAS) in 2007 to increase the quality, diversity and transparency of Australia's development research investment. In operation until 2016, it involved regular open competitive calls for research funding with advertised criteria and external experts involved in appraisal, with the aim of attracting high-quality researchers to engage in research focused on development outcomes (Muirhead et al., 2007).

The influence of ADRAS research is evident in its use in both national and international policy documents. ADRAS work was drawn upon, for example, in the World Bank's wide communication of research on mining infrastructure use for broader economic development; the World Tourism Organisation review on climate change and the tourism industry in the Pacific Islands; the International Monetary Fund (IMF) paper on gender budgeting work in the Asia-Pacific region; and in publications by DFID and the OECD (Muirhead et al., 2017).

The European Think Tanks Group (ETTG) is comprised of think tanks from five countries, linking research and policy across national boundaries. The researchers publish materials under the ETTG 'brand'. The ETTG has also created and worked with a group of senior policy-makers, known as the 'EU Change-Makers', deriving consensus over a series of meetings and joint activities (Gavas and Maxwell, 2017). This research and interaction also has the potential to influence donor agencies and development outcomes.

5. Global goals

The Sustainable Development Goals, and previously the Millennium Development Goals, can provide a framework for national development strategies and for multilateral agencies to work together (ICAI, 2015). Fukuda-Parr (2014) emphasises that such global goals have the power to influence policy behaviour and development agendas, serving as incentives for national governments and others to mobilise for important objectives. The goals overcome a key weakness of UN conference declarations in that they have the ability to communicate complex global challenges into detailed action points that can be understood by policy-makers and the general public (Fukuda-Parr, 2014).

Clear prioritisation of global policy objectives can contribute to providing strategic direction, necessary for decision-making in multilateral agencies (Bodenstein et al., 2017). The World Bank, for example, substantially increased its overseas development assistance to MDG-like goals. If national-level policymakers buy-in to and adopt global development goals, they are also more likely to allocate time and resources to realise them (Sethi et al., 2017). Subsequent to 2011, non-DAC bilaterals substantially increased their spending in relation to global goals. This could signal an attempt on their part to reposition themselves within the aid landscape through greater alignment with global development goals (Sethi et al., 2017).

There have in some cases been unintended negative consequences, however, with national planning targets, driven by global goals, introducing distortions in policy priorities (Fukuda-Parr, 2014). The goals can create perverse effects, privileging some development goals at the expense of others (Fukuda-Parr, 2014).

6. Competition and geo-politics

The mere presence of non-DAC donors can influence the actions of other donors. An empirical study on the effect of new donors on World Bank conditionality and Africa finds that when China plays a role in development assistance in countries in Africa, the World Bank attaches fewer conditions to its loans in those countries (Hernandez, 2017). The fewer conditionalities is considered to be an attempt by the Bank to maintain the level of its development activities in Africa, despite increasing competition from China. In contrast, when DAC donors provide aid inflows, the World Bank generally revises its conditionality upward (Hernandez, 2017). This is likely because while new donors might present counter offers to finance projects already in negotiation with the World Bank, DAC donors are unlikely to do the same (Hernandez, 2017).

7. References

Albu, M. and Schneider, H. (2008). *Making markets work for the poor: Comparing M4P and SLA frameworks. Case studies*. The Springfield Centre. www.springfieldcentre.com/wp-content/uploads/2012/10/sp0802.pdf

Besada, H. and Tok, E. (2015). South Africa, BRICS and the South African Development Partnership Agency: redefining Canada's development assistance to Africa through triangular cooperation. *Canadian Foreign Policy Journal*, 21(3), 272-285. <https://doi.org/10.1080/11926422.2015.1074927>

Bird, K. et al., (2005). *What has DFID learned from the PSIA process?* London: Overseas Development Institute. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/1763.pdf>

Bodenstein, T., Faust, J. and Furness, M. (2017). European Union development policy: Collective action in times of global transformation and domestic crisis. *Development Policy Review*, 35(4), 441-453. <https://doi.org/10.1111/dpr.12189>

Farias, D. B. L. (2015). Triangular cooperation and the global governance of development assistance: Canada and Brazil as “co-donors”, *Canadian Foreign Policy Journal*, 21(2), 1-14. <https://doi.org/10.1080/09512748.2017.1296886>

Fukuda-Parr, S. (2014). Global goals as a policy tool: Intended and unintended consequences. *Journal of Human Development of Capabilities*, 2-3, 118-131. <https://doi.org/10.1080/19452829.2014.910180>

Gavas, M. and Maxwell, S. (2017). Walking on two legs: culture and calculus in European Union development cooperation. *Development Policy Review*, 35 (4): 587—597. <https://onlinelibrary.wiley.com/doi/epdf/10.1111/dpr.12197>

Greenhill, R. and Rabinowitz, G. (2016). *Why do donors delegate to multilateral organisations? A synthesis of six country case studies*. London: Overseas Development Institute. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11088.pdf>

Hausmann, J. (2014). *Turkey as a donor country and potential partner in triangular cooperation*. German Development Institute. http://edoc.vifapol.de/opus/volltexte/2015/5599/pdf/DP_14.2014.pdf

- Hernandez, D. (2017). Are “new” donors challenging World Bank conditionality? *World Development*, 96, 529-549. <https://doi.org/10.1016/j.worlddev.2017.03.035>
- Honda, S. and Sakai, M. (2014). Triangular cooperation mechanisms: A comparative study of German, Japan and the UK. BMZ, JICA, UKAid. https://www.jica.go.jp/jica-ri/publication/booksandreports/jrft3q00000029ts-att/Triangular_Cooperation_Mechanisms_1_for_web.pdf
- Hooijmaaijers, B. (2018). China’s rise in Africa and the response of the EU: A theoretical analysis of the EU-China-Africa trilateral cooperation policy initiative. *Journal of European Integration*, 40(4), 443-460. <https://doi.org/10.1080/07036337.2018.1465418>
- ICAI (2016). *When aid relationships change: DFID’s approach to managing exit and transition in its development partnerships. A performance review*. Independent Commission for Aid Impact. <https://icai.independent.gov.uk/wp-content/uploads/ICAI-Review-When-aid-relationships-change-DFIDs-approach-to-managing-exit-and-transition-in-its-development-partnerships-1.pdf>
- ICAI (2015). *How DFID works with multilateral agencies to achieve impact*. Independent Commission for Aid Impact. <https://icai.independent.gov.uk/wp-content/uploads/ICAI-Report-How-DFID-works-with-multilateral-agencies-to-achieve-impact.pdf>
- ICAI (2012a). *The effectiveness of DFID’s engagement with the Asian Development Bank*. Independent Commission for Aid Impact. <https://www.oecd.org/derec/unitedkingdom/ICAI-The-effectiveness-of-DFIDs-engagement-with-the-Asian-Development-Bank-FINAL1.pdf>
- ICAI (2012b). *The effectiveness of DFID’s engagement with the World Bank*. Independent Commission for Aid Impact. https://icai.independent.gov.uk/wp-content/uploads/ICAI-World-Bank-Final-Report_P1-71.pdf
- Lengfelder, C. S. (2016). Why triangular development cooperation? Germany and the emerging powers. *German Politics*, 25(1), 1-24. <https://doi.org/10.1080/09644008.2015.1024239>
- Kondoh, H. (2015). *Convergence of aid models in emerging donors? Learning processes, norms and identities, and recipients*. Japan International Cooperation Agency. https://jicari.repo.nii.ac.jp/?action=pages_view_main&active_action=repository_view_main_item_detail&item_id=758&item_no=1&page_id=13&block_id=21
- MOFA, Japan. (2013). *Evaluation of triangular cooperation*. Ministry of Foreign Affairs Japan. https://www.mofa.go.jp/policy/oda/evaluation/FY2012/text-pdf/tc_summary.pdf
- Muirhead, D. et al. (2017). From evidence to impact: Development contribution of Australian Aid funded research. A study based on research undertaken through the Australian Development Research Awards Scheme 2007–2016. RDI Network. https://acfid.asn.au/sites/site.acfid/files/resource_document/From%20Evidence%20to%20Impact%20Full%20Report.pdf
- Myers, M., Harford, N. and Bartholomew, K. (2017). *Media assistance: Review of the recent literature and other donors’ approaches*. A Capitalisation Exercise (CapEx) for the Swiss Agency for Development and Cooperation (SDC). https://www.shareweb.ch/site/DDLGN/Documents/Media_Assistance_Donor_and_Lit_Review%202017.pdf

Paulo, S. (2018). *India as a partner in triangular development cooperation: Prospects for the India-UK partnership for global development*. Orf Working Paper. <https://www.orfonline.org/research/india-as-a-partner-in-triangular-development-cooperation-prospects-for-the-india-uk-partnership-for-global-development/>

Sakurai, M. Y. (2015). The post-2015 development agenda and South–South and triangular cooperation – How the partnership model should be? *Global Social Policy*. <http://journals.sagepub.com/doi/pdf/10.1177/1468018115600123b>

Sethi, T. et al. (2017). *Realizing agenda 2030: Will donor dollars and country priorities align with global goals?* Williamsburg, VA: AidData at the College of William & Mary. http://docs.aiddata.org/ad4/pdfs/Realizing_Agenda_2030.pdf

Zhang, D. (2018). A tango by two superpowers: China-US cooperation in trilateral aid and implications for their bilateral relations. *Asian Journal of Political Science*. <https://doi.org/10.1080/02185377.2018.1462218>

Zhang, D. (2017). Why cooperate with others? Demystifying China's trilateral aid cooperation, *The Pacific Review*, 30(5), 750-768. <https://doi.org/10.1080/09512748.2017.1296886>

Zhang, D. (2015a). *China-Australia-Papua New Guinea trilateral aid cooperation on malaria control*. Australia National University. <https://openresearch-repository.anu.edu.au/bitstream/1885/142822/1/ib-2015-14-zhang-online.pdf>

Zhang, D. (2015b). *China-United States-Timor-Leste trilateral aid cooperation project on agricultural*. Australia National University. http://bellschool.anu.edu.au/sites/default/files/publications/attachments/2015-12/IB-2015-10-Zhang-ONLINE_0.pdf

Acknowledgements

We thank the following experts who voluntarily provided suggestions for relevant literature or other advice to the author to support the preparation of this report. The content of the report does not necessarily reflect the opinions of any of the experts consulted.

- Samantha Custer, AidData
- Bradley Parks, AidData
- Sebastian Paulo, Observer Research Foundation
- Joren Verschaeve, Ghent University
- Denghua Zhang, Australian National University

Suggested citation

Haider, H. (2018). *Donors influencing others donors and development*. K4D Helpdesk Report. Brighton, UK: Institute of Development Studies.

About this report

This report is based on five days of desk-based research. The K4D research helpdesk provides rapid syntheses of a selection of recent relevant literature and international expert thinking in response to specific questions relating to international development. For any enquiries, contact helpdesk@k4d.info.

K4D services are provided by a consortium of leading organisations working in international development, led by the Institute of Development Studies (IDS), with Education Development Trust, Itad, University of Leeds Nuffield Centre for International Health and Development, Liverpool School of Tropical Medicine (LSTM), University of Birmingham International Development Department (IDD) and the University of Manchester Humanitarian and Conflict Response Institute (HCRI).

This report was prepared for the UK Government's Department for International Development (DFID) and its partners in support of pro-poor programmes. It is licensed for non-commercial purposes only. K4D cannot be held responsible for errors or any consequences arising from the use of information contained in this report. Any views and opinions expressed do not necessarily reflect those of DFID, K4D or any other contributing organisation. © DFID - Crown copyright 2018.

