



Working paper

How to develop a country engagement strategy

The Overseas Development Institute's experience

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Contents

Introduction	3
Designing a priority country programme	3
Learning from related experiences	4
The New Climate Economy	4
The Budget Strengthening Initiative	4
DFID-AG national climate finance studies	5
How might ODI operate in priority countries?	5
Partnerships	5
ODI principles for priority country engagement	6
Next steps	7
Documents reviewed	8
Acknowledgements	8

Introduction

ODI has conducted research, provided technical assistance and delivered capacity building support in many countries over the last 50 years. This work has been largely driven by demand from donor agencies, as an element in their strategies to support national governments (and other stakeholders) in the countries concerned. Studies commissioned directly by national stakeholders have been few, although ODI's in-country engagement has often involved close interaction with government agencies, civil society and the private sector.

However, development is changing. The Millennium Development Goals have given way to the Sustainable Development Goals, which imply stronger commitment and actions by all countries to furthering sustainable development; at the same time, the classification of developing and developed countries is losing its power as a framing tool for the work carried out by ODI. The dominance of traditional donors is also loosening as other funders of development research and policy analysis emerge. Such changes create an opportunity for ODI to review how it goes about working in countries, in an effort to strengthen the sustained impact of its work.

To date, ODI has not attempted to develop any country strategies at the institution-wide level, but has worked on an extensive range of development-related topics on a programme-by-programme basis focused on specific themes or topics. Such an approach runs the danger of missing opportunities to create synergies between programmes and failing to ensure the impact of ODI's work over the mid-term.

ODI's senior management team recently prepared a three-year plan, which lays out a medium-term strategy for the organisation. As part of this plan, a commitment to develop an institutional approach to working in a number of 'priority' countries has been made. ODI's Vision 2020 document states that:

- ODI already works globally, with a deep history of engagement in Sub-Saharan Africa, Asia and Latin America. ODI should build on this global presence in order to secure greater policy influence in the major debates tied to each of our strategic priorities. We recognise that being relevant to low and middle income country governments is essential to our mission and that stronger linkages in these countries through staff, partners and networks are important facets of this.
- ODI also recognises the need to build capacity to undertake local research that informs our work. This may take the form of research partnerships, enhanced local ODI presence, or other connections.

To achieve these aims, ODI is committed to achieve the following by 2020:

- We will have developed deep institutional partnerships on policy engagement and funding in at least five priority countries.

Beyond emphasising the intention to develop 'deep institutional partnerships', no specific model of how ODI might establish its priority country programmes has been developed. A range of approaches may in fact evolve, determined by specific country opportunities. As a starting point, this working paper aims to explore a set of principles that could apply to ODI's way of working in those countries. It does not address the separate – and equally important – issue of how to identify a country as a 'priority' one, and what criteria should be used to facilitate this. That particular challenge requires additional attention.

Designing a priority country programme

Two key issues warrant consideration prior to consolidating an institutional presence in a priority country. These can be characterised as the 'what' and 'how' questions: what is ODI trying to achieve through its engagement in a specific country, and how might ODI go about carrying out its work? The first question is one of goal setting, while the second concerns the strategy used to realise the goal.

Guidance on the first question comes from the ODI Strategic Plan, 2014-2017, which lists five key domains, or research themes, that are to be the focus of ODI activity over the near-term:

- eradicating absolute poverty and equalising opportunity
- promoting effective action on climate change and managing resources sustainably
- protecting people threatened by conflict, disasters and insecurity
- building accountable and inclusive institutions
- increasing productivity and creating jobs through transformative growth.

Research, policy analysis and communication actions that contribute to a better understanding of these key themes should guide ODI's country-level engagement. This represents a necessarily broad agenda, allowing ODI staff to respond to opportunities as they arise. The strategic direction of the priority country programmes will need to ensure that entrepreneurial freedom can flourish across ODI programmes to take forward initiatives on any one (or more) of these research themes. This suggests that early engagement in a particular country may focus on only one of the strategic objective areas, and this focus could be expected to differ between priority countries. A certain level of flexibility will therefore be necessary in developing the goals of each of these countries' programmes, which

should also be allowed to adapt to changing circumstances as implementation proceeds.

This working paper will now focus on the second question: how ODI might go about carrying out its work in a number of priority countries.

Learning from related experiences

The first point to note is that this discussion refers only to a very small number of ODI priority countries. It need not guide actions in all the countries where ODI works. However, for these priority countries, there is value in adopting a common approach, so that best practice can be developed, implemented and refined through experience. Second, in thinking through the issues to consider, there are relevant experiences we can draw on, both those that are internal to ODI and those that are external. ODI is not alone in trying to think through how external organisations can best engage with national reform processes, particularly in low income countries. Others, from aid agencies such as DFID, as well as similar organisations like IIED and initiatives such as the New Climate Economy (NCE), have also considered this issue and lessons can be learned from this collective experience. Perhaps most importantly, there is a considerable body of ODI experience to draw on, across a number of its programmes. The following three examples have been chosen to highlight some of the design issues to be considered, as well as a few of the lessons that have been learned from implementing such work.

The New Climate Economy

Recent thinking by NCE is highly relevant, and is therefore cited here. NCE has identified five criteria to help ensure impact in countries where it works, based on experience in a range of countries, such as Uganda, and drawing on the theory and practice of effective reform (Teichman, 2016; Hickey et al., 2015; Andrews et al., 2012; *Doing Development Differently*). Specifically, no major country effort by NCE will be initiated without the following five core ingredients being in place:

1. **Reform window and a 'client'**. Country engagement will be focused around the identification of a clear policy, market or institutional reform window with a clear pathway to implementation and investment flows. It will emerge from a direct request for support from Government or an in-country 'client.'
2. **Leading local partners**. The delivery of a country programme will be secured in close partnership with leading local partners, ideally including a local economic research institute that advises the government, has strong networks and which demonstrates an understanding of the country's political economy. This will enable access to local experience, knowledge and

networks, and ensure in-country capacity building to support ongoing, long-term implementation.

3. **Relevant leaders and partners spearheading and committing to continued and consistent engagement at both the high and working levels**. Key coalition leaders and other high-level partners will be engaged throughout to facilitate identification of opportunities, along with their uptake, continuation of support for the agenda at the highest levels and, ultimately, implementation.
4. **World class analytical and research teams**. Each country programme will be delivered through world-class hybrid international and national teams with respected local experts and draw on the sectoral expertise of sector initiatives.
5. **Links to implementation and investment**. There should be a sustained and well connected international or regional partner in-country with a mandate to provide long-term support to the national government and who can help champion and drive forward follow-up technical assistance and longer-term implementation support after the partnership's initial work is complete.

In many ways, the aims of NCE and ODI's country programmes have much in common and therefore these five criteria are relevant in terms of helping guide how ODI could work in its priority countries.

The Budget Strengthening Initiative

A second set of relevant experiences are gained from the Budget Strengthening Initiative (BSI), a largely DFID-funded programme that ODI has implemented since 2010 in South Sudan, Liberia, the Democratic Republic of Congo and Uganda. The experience of the BSI programme in providing technical assistance to national governments in challenging environments offers a number of lessons. These include:

- the pre-requisite of being able to demonstrate expertise on a highly technical subject
- the importance of building trust with immediate work colleagues and people in authority
- the value of long-term relationships and retaining an institutional memory.

The latter two lessons imply that research skills, while necessary, are not enough to secure traction within policy-making circles. Equally important is the ability to work well with those who are responsible for making such decisions, by adopting a problem-solving approach that offers solutions to immediate concerns. However, this highlights a tension in the role that ODI may play in its priority countries: a balance may have to be struck between responding to the perceived needs of national stakeholders (or funders) and having sufficient freedom to follow a research-informed agenda.

Strong communication skills are needed for effective action, together with a knowledge of specific country conditions. The latter is very difficult to acquire without a long-term presence, ideally through basing staff in-country full-time for a number of years. This is one of the acknowledged successes of the BSI programme, and is something that sets it apart from many ODI projects, where short-term visits by ODI staff are the norm.

An important feature of the BSI, recognised in its 2013 mid-term evaluation, is that it has operated as an ‘arms-length organisation’, with operational freedom from its funder through open-ended designs allowing the programme to operate as a free agent in the pursuit of agreed goals. The comparative advantage of such an approach identified by the evaluation is that it has provided an opportunity to build trust with counterparts, helped to identify potential for change and has had the ability to broker solutions to collective action problems.

DFID-AG national climate finance studies

ODI’s DFID Accountable Grant allowed for a similar ‘arms-length’ relationship with a funder. This grant supported a multi-year programme of work on the delivery of effective climate finance in Uganda, Tanzania, Ethiopia and Ghana, with the research agenda being set through a relationship between the government and ODI.

Implementation of these country programmes between 2012 and 2015 was secured by partnerships with in-country research institutes that were known and trusted by government. Communication and policy engagement was the specific remit of the national research partner. This applied particularly to the relationship with government, at both the policy and technical levels.

The lessons from this work programme included:

- The importance of continuity in relationships was again highlighted: two to three years is an insufficient period of time to be taken seriously as part of national reform processes.
- The choice of national partner(s) is a strategic early decision that has a lasting impact on the programme. It is difficult to change such an arrangement in the short-term. Entering such a relationship therefore needs to be informed by trusted national actors and ODI’s previous experience of working in the country.
- Policy makers appear more receptive to advice given by national experts rather than external individuals. On the other hand, external individuals may have more space to play a challenge function to those in authority. Partnerships established between ODI and national organisations need to be able to steer through such delicate considerations.
- Developing an institutional relationship is more demanding than working with individuals. National institutions can lack depth of expertise, with a resultant heavy reliance on one or two individuals. This situation

requires organisational capability strengthening to be an implicit consideration when planning country programmes.

- A trade-off between research excellence and national ownership of the reform process may have to be considered. ODI needs to consider what constitutes ‘good enough’ analysis to ensure the credibility of the evidence being put into the policy making domain.

How might ODI operate in priority countries?

These experiences, and others, point to several important considerations that should be taken into account prior to developing a priority country programme.

First, the funding of the programme is a critical starting point. The question of who provides the financial resources, and under what terms, will have a strong influence on how the work of ODI is perceived by other groups, regardless of the quality of the outputs. The best option would seem to be for ODI to broker a multi-year ‘arms-length’ relationship with a funder (or set of funders). In an ideal world, the funder would also be the main beneficiary of the work programme (often the national government). However, few low-income country governments set aside budgetary resources to commission the work of international think tanks to carry out development policy work. It is therefore likely, at least over the near-term, that funding will most likely come from an international source. ODI should exercise due care in choosing which funder to approach to support a priority country programme. Such decision-making needs to be informed by the in-country relationships between potential funders and domestic stakeholders (particularly the national government).

Second, ODI needs to be clear on the role it wishes to play in a country programme. This can take a number of forms, such as direct technical assistance to government (e.g. the BSI) or through research partnerships with national institutions (e.g. the DFID AG work programme). Country circumstances may dictate which model is possible, but there needs to be clarity on which approach is being used, as well as an understanding of the consequences of that way of working. BSI’s strength has been to provide confidential and strategic advice to government officials, effectively acting as an extension of the country’s civil service. This differs from operating with national research partners, which distances ODI from government, with its associated advantages and disadvantages.

Partnerships

If an institutional partnership with an organisation outside of government is considered to be the optimum approach for the delivery of a country programme, a

number of issues need to be considered. There is literature on development-related partnerships, highlighting a range of issues that warrant attention. For example, the European Commission requires that all partners supported by its funding agree to the following principles of good partnership practice:

- All partners must understand their role in the action, including their respective obligations for its success.
- The lead agency must consult with its partners regularly and keep them fully informed of the progress of the action.
- All partners must receive copies of reports – both narrative and financial – that are published as a result of the partnership.
- Proposals for substantial changes to the action (e.g. activities and partners) should be agreed by the partners before being enacted.

These and other principles of good partnership (see Wiesmann et al., 2014) need to be upheld by ODI when initiating country partnerships. This represents a significant and time-consuming undertaking. It would help to have an explicit ODI partnership policy that would apply to working in the priority countries. Such a policy would highlight the need to ensure that ODI works on the issues domestic partners care about and are motivated to work on themselves, rather than imposing an external agenda.

ODI principles for priority country engagement

It is possible to draw out a number of preliminary ‘principles of engagement’ from the previous sections that might be applied to help establish ODI institutionally within a small number of priority countries. These principles could apply across a range of implementation models, the details of which would depend on the specific opportunity identified.

Principle 1. Operate at ‘arms-length’ from the funder.

If ODI is to be considered more than an international consultancy, it has to be able to demonstrate its think tank credentials by providing an independent analytical voice on development policy, working on issues determined by national interest. The working models of the BSI and DFID-AG have allowed ODI to operate in this way and are therefore good funding precedents to draw on. ODI in-country actions should primarily be answerable to the national government and other domestic stakeholders.

Principle 2. Operate as a responsive organisation, well-tuned to country concerns.

ODI’s in-country actions should support locally led change, be adaptive and learning in their approaches, aiming to broker the use of evidence, as well as drawing on and

generating high class evidence and advice, following the principles of ‘Doing Development Differently’. Such an approach may require the long-term presence of individual ODI staff, perhaps working within flexible and responsive across-programme ‘country teams’, as well as institutional back-up.

Principle 3. Ensure there is clarity over ODI’s in-country mission and the role it will play.

From the outset, ODI should clarify its role as a technical assistance provider or knowledge innovator in whatever sphere of policy research has been chosen (as guided by ODI strategic objectives). Although these two roles are not mutually exclusive, they do influence working relationships. There also needs to be clarity on the breadth of engagement and whether there is likely to be a benefit from having an early focus on a limited number of themes or sectors, so as to establish a reputation for high quality analysis and policy advice.

Principle 4. Demand-led activity should be complemented by ODI’s own development interests.

Development issues change as new concerns come to the fore: there was no climate change development policy analysis ten years ago, but this is now a major global concern that is reflected in ODI’s strategic priorities. ODI needs to find a balance between adopting an ‘open-ended’ role that responds to immediate national policy concerns and having the space to generate new, innovative in-country research understanding.

Principle 5. Establish a multi-year partnership agreement where a credible in-country organisation exists.

With a growing number of national think tanks and similar organisations, ODI should consider an institutional approach to its in-country programme by working with like-minded organisations, rather than individual reformers. It will gain an important conduit to policy circles by working in this way, as well as securing potential for long-term policy influence through the actions of national partners. These, in turn, will outlast any discrete project activity. Such partnership agreements need to be tailored to the organisation being partnered, but should follow best practice principles. Partnerships could offer an alternative to basing ODI staff in the country on a full-time basis, in order to secure an institutional presence and support structure.

Principle 6. Build programmes in countries where previous ODI engagement has had a discernible impact at the national level.

This paper has not explored the rationale for choosing any particular country as a ‘priority’ country for ODI. However, there is much to be gained by building on existing positive relationships and an understanding of

the political economy that defines the space for national reform. There are some obvious candidate countries where ODI has gained a presence through a long series of individual projects over many years. One such country is Uganda, about which ODI has published over 200 reports on development issues (Bird and Patel, 2016).

Next steps

This working paper has been prepared as a first step towards establishing an ODI policy on how to go about building institutional partnerships in a small number of priority countries. In particular, the proposed principles of engagement now need to be scrutinised, endorsed or rejected as part of developing an initial prospectus on how ODI will implement its priority country commitment. This will require a period of consultation within ODI, drawing on the wide set of experiences across many of its programmes.

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Acknowledgements

This working paper was prepared by Neil Bird, building on discussions involving Ed Hedger, Marta Foresti, Simon Gill, Shelagh Whitley and others. Russell Bishop, Leni Wild and John Young provided peer review comments.



This material has been funded by UK aid from the UK Government, however the views expressed do not necessarily reflect the UK Government's official policies.



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