**Politics
& Governance**

Using aid to address governance constraints in service delivery

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Methods and Resources

Acknowledgements

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1 Political and governance factors that affect service delivery

It is now widely accepted that particular political, governance and institutional factors influence the adequacy of the provision of public services. Institutional economics and political theory have for some time provided compelling explanations of where public services are delivered, to whom and how well (Batley et al., 2012; Collier, 2007; Keefer and Khemani, 2003; World Bank, 2004).

Overseas Development Institute (ODI) research has shed new light on this complex problem by attempting to categorise some of the common political and governance factors that affect service delivery, with a focus on key constraints (Booth, 2010; Wild et al., 2012) (see Box 1). These constraints seem to arise time and time again in different contexts and sectors.[1]

Box 1: Governance constraints that undermine service delivery

1. Policy and institutional incoherence;

2. Poor top-down performance disciplines and limited bottom-up accountability relationships;

3. Limited scope for problem solving and local collective action.

Source: Booth (2010); Wild et al. (2012)

Despite this, there is a lack of robust evidence on whether and how aid can help release or ameliorate these constraints (Tavakoli et al., 2012). There is some evidence on the impact of particular types of accountability structures (such as user committees, citizen report cards or national audits, etc.). However, there has been little research into the broader implications of these findings for the design and delivery of aid programmes. What we do know is that our best guess at the most effective aid instrument, budget support, has not been very good at changing the incentives facing those delivering services at the front line. This is because it does not provide sufficient attention to the middle of the delivery chain: to the processes of managing, delivering and accounting for resources (Williamson and Dom, 2010).

To explore this evidence gap, we examine how aid can facilitate government efforts to address governance constraints in public service delivery, and in particular what types of aid-funded activities and enabling factors seem to allow for this in practice. To do so, we draw on the experiences of four aid programmes in Africa that appear to have engaged successfully with the constraints. These include a rural water programme in Tanzania, a pay and attendance monitoring programme in Sierra Leone, support to the Strategy and Policy Unit in Sierra Leone and a local government programme in Uganda. This study is exploratory: it examines the types of aid-funded activities that seem most relevant to improving governance constraints, making some speculative conclusions about their ability to do so, as well as the elements of the design and implementation approach that have facilitated the execution of these activities.

Acknowledging this, the findings suggest external actors can play a beneficial role in supporting government efforts to address some political and governance constraints if an appropriate approach is adopted. This includes supporting certain types of aid-funded activities and facilitating the materialisation of specific enabling factors in support of a country-led imperative for change. Although these constraints are undoubtedly shaped by wider political, institutional and historical factors that may be outside the influence of a specific aid programme, we suggest that aid packages are able to engage positively with these lower-order constraints in a way that is conducive to improvements in service delivery.

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[1] This briefing paper does not describe the governance constraints in detail because other papers in this series cover these. The constraints examined here are a subset of those explored in Booth (2010) and Wild et al (2012), brought together in Harris and Wild (2013).

2 Aid package activities for donors and implementing agencies

Certain aid-funded activities have engaged positively with the three governance constraints, although in most cases the effects of such activities are relatively modest and incremental. Table 1 lays out the particular types of activities that seem to have influenced the governance constraints in the countries we looked at.

The aid-funded activities that appear to have had most relevance to the three governance constraints are, first, activities to strengthen government prioritisation by 'crowding in' a critical mass of government and donor effort to address specific implementation gaps and, second, convening and brokering arrangements between domestic stakeholders to promote collective action and local problem solving. Table 1 lists other types of activities that appear to facilitate improvements in terms of the constraints.

The types of activities by donors and implementing agencies relate primarily to minimising the gap between de jure policy and de facto practice in the public sector, so as to strengthen the processes of managing, delivering and accounting for services. By addressing this gap, external agents are supporting government efforts to 'get things working' according to current frameworks (legal, procedural, regulatory, policy), rather than prioritising efforts to perfect such frameworks.

Table 1: Aid-funded activities pursued by donors and implementing agencies

Type of constraint	Aid-funded activities
Policy and institutional incoherence	Support government prioritisation processes, with particular focus on addressing specific implementation gaps
	Target and resolve conflicting mandates that impinge on implementation
Poor top-down performance disciplines and bottom-up accountability mechanisms	Top down: support the combination of incentives and information, providing managers with more information with which to hold their subordinate department or individuals to account
	Bottom up: facilitate stakeholders to recognise their collective power to effect change and exercise their oversight responsibilities in a practical way
Limited scope for problem solving and local collective action	Act as coaches and brokers and use 'outsider status' to encourage stakeholders to meet, discuss and resolve common problems

3 Enabling factors

Our findings focus predominately on the factors that have enabled aid-funded activities to obtain traction and nudge forward institutional change that is conducive to the improved delivery of results. Six factors prove to be important in this regard:

1 Identifying and seizing windows of opportunity;

2 Focusing on reforms with tangible political pay-offs;

3 Building on what exists to implement legal mandates;

4 Moving beyond reliance on policy dialogue;

5 Facilitating problem solving and local collective action solutions by bearing the transaction costs; and

6 Adaptation by learning.

Rather than discussing these in more depth here, this briefing focuses on the lessons external actors can learn from these interventions, and the policy implications of these findings.

Windows

Tangible pay-offs

Building on what's there

Beyond policy

Facilitation

Adaptation
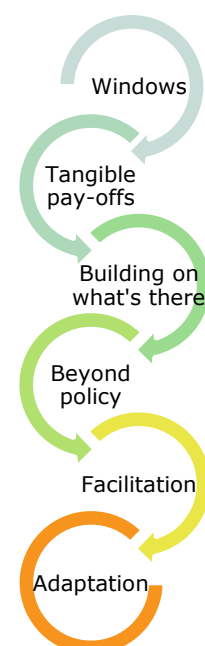
Box 2: Enabling factors that have supported the implementation of aid-funded activities

1. **Identifying and seizing windows of opportunity:** Discerning and effectively exploiting a country-led imperative for change.

2. **Focusing on reforms with tangible political pay-offs:** Supporting the delivery of goods and services that politicians can capitalise on in their campaigns.

3. **Building on what exists to implement legal mandates:** Working with the political grain by building on existing mandates and supporting existing systems to do so.

4. **Moving beyond reliance on policy dialogue:** Focusing on making existing systems deliver, albeit imperfectly, rather than creating better strategic frameworks for delivery.

5. **Facilitating problem solving and local collective action solutions by bearing the transaction costs:** Providing direct operational support and/or coaching to facilitate a greater degree of local problem solving and, in doing so, bringing people together to solve collective action problems.

6. **Adaptation by learning:** Allowing implementing agencies adequate flexibility to regularly adjust programmes to accommodate learning and changes in the local context.

4   Policy implications

There are five key policy implications relating to the ways in which donors and implementing agencies should design and deliver their aid interventions in order to engage positively with the constraints identified here.

Apart from the first enabling factor (which is determined by the emergence of a window of opportunity), the activities and enabling factors discussed in this paper are all within the control of external partners to pursue. However, for some external agents, they may demand considerable deviation from common practices, which can be antithetical to certain aspects of such an approach. For instance, more responsive and adaptive aid implies that donors will need to accept a looser and more flexible approach to programming, one where outputs and outcomes cannot always be specified clearly in advance. Here, re-engineering of project management arrangements and a redressing of the incentives within aid agencies may be required to accommodate the policy implications and lessons learned from the cases.

Focus on the right sorts of activities: Certain types of activities seem most relevant in terms of engaging positively with the three governance constraints (Table 1). An examination of the degree to which the governance constraints are observable in a given sector or context should take place during the design phase of the aid package, which would then feed into decisions about the type of activities pursued. It is likely that the types of appropriate activities go beyond those on the list in Table 1, which should act merely as a guide. However, the principle of employing activities best suited to addressing revealed governance constraints remains.

Support country demand for change: Donor support should target country-led imperatives for change, and goods and services that serve political agendas. In all the cases examined in this brief, a socio-political window of opportunity revealed itself prior to the aid intervention. This was driven by the apparent political prioritisation of the sector for service delivery objectives (top-down) or a shift in the dynamics of accountability relationships at the bottom end of the chain (i.e. village/regional level), which allowed greater scope for local actors to hold those above them to account. By exploiting such windows, external actors afford aid programmes a greater chance to have a catalytic effect (or at a minimum to obtain some traction) on development outcomes. While acknowledging that these windows are transitory, and that, as they close, they constrain both the reach and the duration of the aid programme's success, the cases suggest that interventions can deliver outcomes that are not entirely reversed when the political window shifts (see Box 3). Exploiting windows effectively is not a straightforward task; Figure 1 shows how this is achieved in practice.
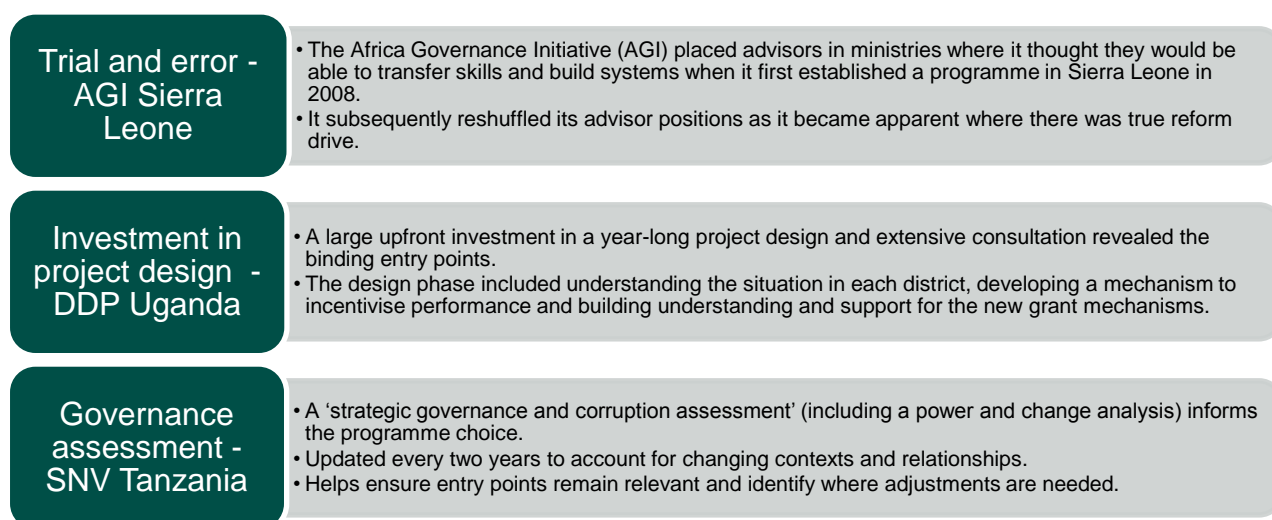
Box 3: Exploiting windows of opportunity and their transitory nature

Implementation of the District Development Project (DDP), which then became the Local Government Development Programme (LGDP), in Uganda in 1998 built on the beginning of a new era of political prioritisation of service delivery for development objectives. This was revealed by strong political pronouncements in this regard and enactment of the Local Government Act, which allocated more functions to districts. However, over time, decentralisation as a means of rallying political support appears to have been more important than service delivery objectives. This has contributed to a lowering of the performance of the programme, which aimed to increase the capacity of district offices as well as the distribution of local infrastructure. Nevertheless, districts' performance has not returned to pre-intervention levels.

Moreover, aid packages should target goods and services that politicians can capitalise on in their campaigns, such as supporting the president of Sierra Leone to deliver on his 'flagship priorities', including free health care to mothers and children; or district officials and local leaders in Uganda delivering school buildings and boreholes to their constituencies. In contrast, many donor-funded governance projects implemented in the past decade have focused on governance in isolation of their immediate impact on a particular service delivery objective. Such cross-cutting governance reforms often have dispersed and intangible gains, and in many cases carry costs for concentrated and vocal lobby groups.

These findings suggest that funding allocations should be determined not only by needs analysis but also by political appetite for change.

Figure 1: Approaches to responding to windows of opportunity

Trial and error - AGI Sierra Leone	• The Africa Governance Initiative (AGI) placed advisors in ministries where it thought they would be able to transfer skills and build systems when it first established a programme in Sierra Leone in 2008. • It subsequently reshuffled its advisor positions as it became apparent where there was true reform drive.
Investment in project design - DDP Uganda	• A large upfront investment in a year-long project design and extensive consultation revealed the binding entry points. • The design phase included understanding the situation in each district, developing a mechanism to incentivise performance and building understanding and support for the new grant mechanisms.
Governance assessment - SNV Tanzania	• A 'strategic governance and corruption assessment' (including a power and change analysis) informs the programme choice. • Updated every two years to account for changing contexts and relationships. • Helps ensure entry points remain relevant and identify where adjustments are needed.

Work with what you've got: External actors should not be so quick to try to get the policy and legal framework 'right', which often results in endless planning cycles and little implementation. Instead, try to make existing frameworks perform, and allow government officials to experience first-hand what works and what does not. Then tweak the system based on experience in that particular context rather than on best practice. The process of delivery can drive policy change in an organic and sustainable way, particularly where the drive to engage in policy design is lacking.

This policy implication draws on the finding that the cases sought to implement legal mandates by building on what existed, while shying away from engagement in policy dialogue. The cases aimed to exploit a presumed political commitment to activities and functions – based on their articulation in the legal documentation – that were yet to be fully realised, and did this by building on what was already in place. In doing so, the interventions hoped to bridge the gap between *de jure* and *de facto* activities by supporting practice rather than redesigning the policy framework.

Box 4: Implementing legal mandates, building on what exists and moving beyond policy dialogue

In the case of water in Tanzania, the intervention supported those tasked with water management at the local government level to fulfil their legal roles and responsibilities. It focused on supporting community-owned water supply organisations (COWSOs) – local-level entities responsible for water management that were not functioning prior to the intervention – as well as local councillors and district water teams to carry out their official mandates.

In the same vein, 'testing the feasibility of the constitutional and legal mandates with respect to decentralised service provision and devolution of the development budget' was one of the first objectives of the DDP in Uganda. The programme facilitated the implementation of institutional structures and the development of relationships from district to the village level (district–sub-county–parish–village); according to one sub-county councillor interviewed, 'the LGDP taught us our jobs'. In LGDP II, a broader framework for dialogue on decentralisation was developed, yet this became a heavily contested process and contributed to donor withdrawal from the sector.

Shift the role for external agents from policy advisor to facilitator: External actors should facilitate problem solving and local collective action solutions by bearing the transaction costs of bringing actors together. Encouraging greater problem solving and collective action solutions were key elements in all the interventions analysed. The best ways for donors/implementing agencies to achieve this may be to take on a stronger facilitation role. This can be accomplished by providing operational strategies or offering coaching and mentoring, rather than through policy dialogue (see Boxes 5 and 6). In the past, external agents have often justified and accounted for their work by pointing to new policies or legal documents, or inputs that have served to advise governments when developing these types of outputs. The facilitation side – getting government officials to engage with the issues in practice – has often been a secondary objective rather than an integral part of their role. We argue that this should be rethought: explicitly asking advisors to act as facilitators and coaches may at times be a more effective use of donor resources in the long run, although it makes it harder to attribute results to aid in the short term.

However, whether the resulting changed practices can then be sustainable once the external agent disengages remains to be seen.

Box 5: Providing direct operational strategies

In Sierra Leone, AGI has supported the Strategy and Policy Unit to strengthen delivery systems by providing for management tools and systems. One such monitoring system is the 'stock-take exercise', which brings together the president and ministers on a monthly basis to present a stocktake of the programme's performance. Since the start of the programme, there have been some notable instances of cross-agency collaboration.

Box 6: 'Process facilitation' to encourage local problem solving and collective action

The project design phase of the rural water programme in Tanzania noted that problems identified were primarily relationship-based. Various actors in the service delivery chain were not working together effectively to deliver water point maintenance. For instance, district water teams and local councillors were not fully carrying out their functions, and formal structures for local problem solving in relation to water point maintenance, such as for COWSOs, were not fully functional.

SNV employed an approach of process facilitation and coaching to bridge this gap. One such activity was the councillor oversight programme, which helped councillors understand the rules governing their roles and their responsibilities. It also brought them together as a group, which facilitated a collective way of working. Councillors were presented with problems and asked to find solutions, which resulted in increased understanding of the regulations as well as of their responsibilities as councillors. A problem-solving mentality was developed and the feeling of achievement in reaching a solution appears to have had a legacy in terms of establishing a team spirit. When the councillors contrasted this approach with the government's training programme, conducted in a formal lecturing style with little discussion or explanation, they suggested that the latter had taught them how to follow the regulations, whereas the former had taught them how to use the regulations to find solutions to problems.

Employ flexible programming: The call for more responsive and adaptive aid implies that donors will need to accept a looser and more flexible approach to programming, which requires a more risk-tolerant approach. Facilitating local problem solving, building on what exists and focusing on reforms with tangible political pay-offs that seize windows of opportunity all require the implementing agency to have considerable discretion and space for adaptation. Two findings are relevant to the way programmes are designed and implemented: i) programmes benefit from built-in flexibility that allows staff to adjust programmes based on learning and changes to the local context; and ii) the type of implementing agency (its knowledge, the incentives it faces) matters. This poses challenges to the current results agenda, as it implies a more uncertain outcome, which requires a different communication strategy for donor constituents.

5   Conclusion

The lessons we identify are based on four experiences in three countries, so they should be treated with an appropriate level of care. They do not serve to provide easy answers to intractable problems that development actors have been battling with for years. Yet we expect that the findings and policy implications will resonate with experiences of support to governance reforms beyond these four cases. The next iteration of this work should apply the analytical framework developed here to a wider range of cases and carry out a more detailed evaluative examination of how and to what degree the types of activities and enabling factors have contributed to change.

We present a model that illustrates how external actors can play a beneficial role in supporting government efforts to address governance constraints, if an appropriate approach is adopted. This includes supporting certain types of aid-funded activities and facilitating the materialisation of specific enabling factors in support of a country-led imperative for change. The policy implications that follow from this include:

1   Focus on the right sorts of activities;

2   Support country demand for change;

3   Work with what you've got;

4   Shift the role for external agents from policy advisor to facilitator; and

5   Employ flexible programming.

Development actors, beyond external agents, can play a role to ensure this takes place.

These findings support conclusions reached by others in recent research and confirm what many experienced practitioners have thought for some time: that building on political momentum for reform by seizing windows of opportunity and supporting reforms with tangible political pay-offs are necessary ingredients of a successful aid programme. However, they also point to less conventionally recognised issues in donor/implementing agency action.

First, external agents may be most valuable when they bring domestic and donor stakeholders together behind a common agenda to facilitate sufficient momentum for change. In doing so, their role becomes less that of 'policy advisor' and more that of 'technical facilitator'. In the cases examined, external actors were the 'first movers', bearing the transaction cost of bringing actors together to solve collective action problems.

Second, efforts of donors and implementing agencies should focus on bridging the gap between *de jure* policy and *de facto* practice. Supporting compliance with existing frameworks (in a way that encourages incremental improvement) is more effective than trying to perfect the framework itself. The following are also all necessary: supporting the government to prioritise its efforts; resolving conflicting mandates that impinge on implementation; and building on what exists to implement legal mandates.

Third, the findings chime well with the concept of problem-driven iterative adaptation (PDIA) (Andrews et al., 2012). Development change is only really achievable when space is given to country actors to tackle problems in an iterative and flexible way. Our findings go further, suggesting that donors and implementing agencies are best suited to help facilitate PDIA when they themselves emulate these characteristics – such as being given the space to be sufficiently adaptive, to take into account local learning and to accommodate shifts in priorities.

Fourth, these findings challenge but do not displace some of the standard propositions in the aid-effectiveness literature. This research was less about the choice of aid modality and more about the aid activities of the aid programmes and the process of their design and implementation. They do, however,

provide implications for the former. The findings do not contradict the idea that financial aid to public service delivery objectives is often best delivered with budget support-style modalities. Yet they do suggest that other ways of using aid may provide essential complements to standard financial assistance modalities, as they specifically target constraints to delivery while at the same time strengthening government functions.

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