

United States Agency for International Development
CENTER FOR DEVELOPMENT INFORMATION AND EVALUATION

Democracy and Governance And Cross-Sectoral Linkages

Washington Views and Issues

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I. BACKGROUND

This interim report on AID/W views and issues is the third in a series of papers in preparation for field studies and a final synthesis report on Democracy and Governance (D/G) and Cross-Sectoral Linkages. The first report was based on findings from a pilot study in the Dominican Republic completed in August 1998. The second paper was a draft interview protocol submitted in October 1998. This submission summarizes the views of AID/W program managers on the subject of cross-sectoral linkages. (For a comprehensive statement of the overall study's principle objectives, issues to be addressed, and questions to be answered see the Scope of Work in Management Systems International Task Order No. 15.)

This paper has two purposes: 1) to summarize AID/W managers' perspectives on how, to what extent, and with what effect democracy and governance programs are being included in other sectors and vice versa; and, 2) to synthesize major issues raised by AID/W managers regarding the constraints and obstacles to such cross sector programming, with particular attention to the AID/W experience. It is based on interviews with 17 mid- to senior-level AID/W managers, which were conducted by the author between November 3rd and December 22nd, 1998. A limited review of key USAID strategic planning guidance has been undertaken to further clarify, support, or confound the results of the interviews. (See Appendix I and II for respondents interviewed and documents reviewed.)

As stated in the message from CDIE's Hal Lippman to prospective respondents on October 28, 1998, the purpose here is "to get a sense of the evolution and status of agency efforts to develop synergies between D/G and the other sustainable development sectors....Has there been a conscious effort to do this, when/how/why did it begin; has it been successful, unsuccessful, etc." More specifically, the interviews focused on the following key questions:

1. Does the Agency have a written policy requiring program managers in Washington and the field to develop programs in which D/G is strategically and operationally linked to other sectors?
2. With or without a policy, do Agency program managers develop programs that achieve such linkages?
3. What has been the Agency's experience with these programs in Washington and the field? How successful have they been?
4. Does the Agency's overall system of incentives and rewards actively

support and recognize efforts to achieve cross sector linkages?

5. Are there factors in the Agency's strategic planning and results reporting system that constrain cross sector programming?

6. To what extent does the way decisions are made about external organizational or budgetary factors affect the possibilities for cross sector programming?

7. What might be done to encourage, facilitate, or enhance cross sector program linkages between D/G and other sustainable sectors?

II. FINDINGS

1. Policy

According to all respondents, the Agency has no written policy requiring or specifically encouraging cross sector programming in general with respect to D/G linkages. However, a review of the 1994 USAID Strategies for Sustainable Development document shows that it does contain language that could be considered supportive of cross sector programming between D/G sector and other sectors. The language of the overview section of the report is certainly consistent with the theme of such linkages. Referring to the main problems of poor health and unsustainable population growth, poverty, pollution and environmental degradation, and authoritarian government, which together define USAID development objectives, the Strategy states that "solutions to these problems will help create self-sustaining, civic societies...characterized by **local empowerment, the involvement of the recipients of aid in their own development, decentralization of decision-making, and the establishment of institutions of consensus building and conflict resolution...the creation and involvement of indigenous NGOs--that deepen the benefits to society, and whose very existence can promote peaceful change.**" (p. 6, emphasis added) Elsewhere, "AID has attached a high priority to strengthening democratic institutions and **popular participation in decision-making.**" (p. 18, emphasis added) Again, USAID will assist the transition to democracy "...not only through democracy-building programs, **but also through economic and social development programs that mandate participation, transparency and accountability.**" (p. 18, emphasis added)

However, in the same document, a list of preferred democracy programs focuses primarily on the political and legal institutions usually associated with a western democratic polity, such as democratically elected legislatures, business and civil society intermediary professional and voluntary organizations, political parties, and rule of law legal systems. Still the document returns to the cross sector linkages theme when it notes, "programs that address other development issues will be reviewed to assess their impact on democratization objectives, **in order to facilitate the successful integration of our efforts.**" (p. 22, emphasis added) The document also sets out standards by which program efforts will be judged, including criteria pertaining to democracy development. In the Population and Human Health section, for example, a clear test of a good health

program is: "Does it enhance the capacity of local institutions, communities, and individuals to identify and solve health and family planning problems.... **Does the program take into account links between population and environment, health, working conditions, social mobility and democratic governance?**" (p. 27, emphasis added)

Another partial indicator of Agency policy support for linkages with democracy and governance is the New Partnerships Initiative (NPI) undertaken by 15 USAID Missions in 1996, and reported on extensively in the two volume NPI Resource Guide in 1997. This initiative "takes an integrated approach to development assistance by increasing the capacity of local people--from civil society, the business community, and institutions of democratic local government--to work together to solve problems at the community level." Interviews with NPI program managers identified many of the same Missions proposed as possible case studies in the CDIE cross-sectoral linkages study as examples of successful NPI programs, including Bulgaria, Poland, Nepal, and the Philippines, among others. The program managers also say that NPI faces obstacles to achieving its goals, many of which pertain to the larger issues raised by this report.

At a meeting held to announce the beginning of a new "Making Cities Work" initiative, USAID Administrator Brian Atwood cited it as an example of a problem focused, integrative approach to solving development problems. In the initiative, the glue that binds all sector programs together in a defined urban environment is democratic local government. The Administrator's comments suggested that integrated, problem focused programming based on and beneficial to democratic local government was the key to the Agency's ability to make the most out of its scarce financial and human resources. The theme of decentralization/strengthening local governance as the core institutional driver for solving other problems is one heard with increasing frequency throughout USAID.

Issues

The rhetoric of cross sector programming is already in place. Whether this constitutes policy in the way a USAID mid-level program manager understands it is not clear. One senior official said, "there is no explicit policy, but cross sector programming is embedded in many policies."

Is a clear policy directive needed to require the Agency's operating units to transform rhetoric into action? One regional bureau official was firmly against any more policy directives. The bureaucratic requirements of existing policies are already too burdensome, according to this respondent, and another new policy might just break the camel's back. Other officials argue that cross sector programming is the wave of the future, and will eventually pervade the way the Agency reviews its results and budgets. A problem focused integrative approach just makes more sense than the current stovepiping of sector objectives. Others disagree, stating that organizational and budgetary constraints are so great that USAID is, in effect, acting out Garrett Hardin's "tragedy of the commons." Organizational units are fiercely competing for a shrinking supply of water; if one happens to be sitting on top of a spring he or she is not about to

share it with anyone else.

2. Emerging Agency Experience in Cross Sector Programming re D/G

Whether one is a skeptic or an optimist, there is little doubt that Agency operating units are experimenting with various forms of cross sector programming. Interview respondents had their favorite examples of various Missions that had become known for pursuing a problem focused, integrated sector approach in setting its strategic objectives. For example, this includes Poland and Bulgaria in ENI, El Salvador and Dominican Republic in LAC, Guinea and Senegal, among others, in Africa and the Philippines, Indonesia and Nepal in ANE. AID/W managers also had examples of offices that resisted "raids" on their specific programs or resisted this kind of programming. One official commented the "PHN model cannot be sustained," another said that USAID officers in Africa are resistant to democratization programs...and have a patronizing attitude... [that African states] are not ready for democracy."

Many mentioned the various initiatives supported by USAID that have a common theme of cross sector linkages with a problem focus, such as NPI or Making Cities Work. Another effort to promote cross sector programming was undertaken by the Global Bureau when it established a \$2 million Joint Action Implementation Fund to reward creativity. These efforts have not been considered successful by most respondents, who see them as initiatives, rather than part of the mainstream of Agency decision making processes. As one respondent put it, cross sector linking, with democracy especially, is "just not in the lore of the Agency." It is not part of the corporate culture, and efforts to make it so, no matter how well publicized or supported by senior political leaders, have not been sufficient. Cynics stated that anything with the word initiative attached to it was likely to fail for lack of funding, or lack of mainstreaming in the normal budget and program decision processes.

While some had a sense of the inevitability of more cross sector programs, others were pessimistic, citing the many problems the Agency faced just trying to survive. One senior officer said flatly, "...there is less and less evidence that USAID is doing cross sector programming, in spite of all our initiatives...the tolerance for risk taking has been reduced...there is no room for a well designed failure." Another pointed to the fact that the Agency is doing fewer evaluations, assuming that the performance results system will suffice to demonstrate the level of achievement desired by Congress.

Issues:

USAID is a highly decentralized organization, with considerable authority placed in Missions to develop strategies appropriate to the conditions of the host country. Its host country clientele has been categorized into three groups: 1) countries that can achieve sustainable development; 2) countries in transition from socialism to democracy and capitalism; and, 3) countries with a limited USAID presence (usually graduated or never been to school with USAID, but important to U.S. interests anyway). Is there a relationship between where the Mission fits in this, or other classification schemes, or are other factors at work? What motivates some mission leaders to make a serious attempt at

cross sector programming with the D/G sector, and why do other Missions seem to pursue more conventional strategies? A number of explanatory variables come to mind, including a favorable country context, the experience of one or more key USAID leaders, a dedicated advocate in the Mission, strong support from regional bureau leadership, or comprehensive analysis and understanding of the key issues facing the country.

3. Agency experience with cross cutting programs linked to D/G

Although policy language is in place, and various initiatives are being implemented to promote cross sector programming with D/G, the general impression is that such efforts are the exception rather than the norm. While contending that cross sector D/G programming was the wave of the future, relatively few Missions are trying to do it, and almost no Washington based technical offices are willing to let go of their traditional models. Exceptions are BHR, the Office of Transition Initiatives, and of course NPI. The hypotheses stated by many was that it may be easier to pursue problem focused integrative approaches if one is "outside" the normal pattern of development tradition, as with disaster relief, than if one is inside a tried and true "box," such as HPN.

From the perspective of D/G programming, an important debate may be simmering as to whether it makes sense to continue to have D/G as a separate sector (with its focus on elections, parliaments, political parties, rule of law, and civil society), rather than pursue a strategy that posits democratic governance (encompassing civil society and competitive and accountable governments) as the core institutional arrangement by which all other sector goals are achieved. The outcomes and results of D/G programming are widely viewed to be very difficult to measure, and success, however measured, may be more the result of a convergence of factors that may be far beyond the control of a USAID program. For this and other reasons, some argue, it might be better for D/G to be taken out of the sector objective category, and make it an essential instrumental process integral to other sectoral objectives, all of which are relatively easier to measure in ways that are widely acceptable. Proponents of this view also note that the Global Bureau's D/G office is just as guilty of stovepiping as any other sectoral unit.

Opponents of this view vigorously defend the "new kid on the block," arguing that there is a difference between the values and behaviors of a democratic culture and the specific institutional arrangements by which democratic aspirations are realized. It is not enough to simply encourage citizen participation in local development decisions about health care, for example. Such efforts will surely fail unless the formal arrangements of democratic competition for power and accountability of leaders to citizens are also in place.

Issues:

An important issue is whether or not USAID Missions perceive value added to having a separate democracy objective and/or whether they would prefer to be held accountable for integrating D/G into the other sectors. At the same time, it would be

necessary to devise ways to measure the "vice-versa" or backward linkages between success in environmental policy development, for example, and strengthening democratic processes.

It is not likely that many mission leaders have considered such a question, but the issue is a kind of litmus test that can help determine the extent of commitment to the principle of linking democratic governance to overall development objectives. A more difficult question is whether there is objective evidence to indicate that linking D/G with other sectors does indeed produce "value added" from the perspective of either sector.

4. Incentives and Rewards for Cross Sectoral Linkages

This study was unable to discover any empirical analysis of whether program managers who were active in promoting cross sector programming with D/G were rewarded by AID senior managers, or whether Missions that pursued such strategies received positive support in terms of budget or increased personnel. Anecdotal evidence from the 17 respondents suggests that the Agency has no systematic program for factoring in this kind of performance when decisions are made about promotion or assignment to more challenging, higher level positions. However, most respondents, having achieved senior level status, felt that promoting more integrative and synergistic strategies certainly did not hurt their careers. One respondent, about to become a mission director in a country whose incumbent was considered a pioneer in developing integrated programming strategies, pointed out that while he didn't think there was a general policy to reward such activism, both he and his colleague were doing very well.

Issues:

The question is whether the Agency should have a more visible system of rewards and incentives, both at the level of personnel promotion and for the purpose of providing mainstream support for mission strategic plans. A corollary question is whether such a system would make any difference in the way managers organize their work at the mission level. Do leaders in Missions reputed to be on the cutting edge of cross sector programming perceive that their efforts have been supported and, in whatever way, rewarded by AID/W?.

5. Internal factors that may constrain cross sector programming

Program managers identified a variety of constraining factors internal to USAID that affect the Agency's ability to mainstream cross sector programming. Surprisingly, although emphasis varied from person to person, nearly all agreed on the content of the list and the seriousness of the problems. Also, these constraints affect more than just cross sector programming; they affect the general ability of USAID offices to address the development agenda in the most effective manner. Frequently mentioned constraints are:

- **Misunderstanding of the strategic objectives planning system:** Some respondents argued that the system of one objective, one set of measurements,

and one hierarchical chain of causation severely limit possibilities of cross sector linkages in the development of strategic plans. As one respondent put it, "we try to impose an artificial order on messy realities...the SO system presupposes that foreign assisted development is a 'science'." Others argued that there was nothing inherent in the strategic objective planning process that prevented Missions from developing cross sector linkages, but they admitted that in the first few years of such efforts Agency reviewers found it difficult to know how to fit such initiatives into the SO review process. All agreed that stovepiping, a process by which each SO is pursued without reference to others, is a general phenomenon in some part attributable to the SO system.

- **Emphasis on quantitative measurement of results:** Developing quantitative, or at least objectively verifiable measures of success at the objective and the intermediate result level has been a painful and, to many respondents, expensive and not very successful effort. Many respondents pointed to a report by the Inspector General as being very critical of USAID's measurement of results, especially with regard to attributions of causality between programs and results. One respondent called much of USAID's quantitative results "factoids," implying that the harder the number, the less likely it is that the number represented anything significant. Queried as to how this drive toward quantitative measurement affected cross sector linkages, respondents asserted that D/G success was inherently difficult to measure, and the need to measure concrete achievements was what drove the D/G sector toward putting most of its effort into such things as legislatures, elections, parties, NGOs established, and the like, all of which can be counted. If a D/G officer were to subsume some part of the D/G program as one factor in achieving the success of, say, a health delivery program, the D/G component would be very difficult to measure as an achievement for which that officer or office would be held accountable. Similarly, an HPN officer who worked hard to build democratic decision making into local healthcare decisions would find it difficult to measure the results of such efforts, or to gain recognition for such achievements among peers and superiors.
- **Accountability reporting:** A key dimension of the reinventing government reform effort is that federal agencies are now required by law to report annually to Congress on results achieved. Within each agency, program managers are held accountable on an annual basis for their achievements, based principally on their ability to meet previously stated goals and to measure those achievements in an objective manner. Many respondents complained that the timeframe of annual reports, combined with specious measurement of inconsequential results, was generally inappropriate to the process of development, however well it might work for the post office or the social security system. The development process is episodic and nonlinear in most sectors, they argued, but especially with regard to the development of democratic cultures and institutions. Yet D/G efforts must be accounted for along with GNP, population growth rates, and reductions in airborne

particulate matter. Most respondents concluded that annual results reporting tended to trivialize the achievements, and distorted programs away from cross sector linkages.

- **Information system weaknesses:** Another factor constraining cross sector linkages is the Agency's data systems. One senior officer, while preparing testimony for Congress, wanted to make the point that Agency programs in one sector, such as HPN, were organized in such a way as to have positive linkages to development of democratic values and behaviors. She was frustrated in this effort, she said, because the Agency's computerized database would not yield the kind of information necessary to her point. Other respondents seconded this frustration. One, for example, referred to the Agency's information system as essentially useless for more than "straight line," i.e., stovepiped reporting.
- **Organizational constraints:** Planning and budgeting systems interact with and reinforce organizational arrangements. If program and office managers are able to succeed by behaving in competitive, non-cooperative modes, they will do so. If success is more a function of open, team based interaction focused on complex but well defined problems, such behavior and organizational forms will emerge. This is the difference between stovepiped and synergistic organizations. Respondents indicated that both kinds of organizations exist in USAID, but that it is possible, indeed normal, to be successful without worrying much about synergy. Several program managers suggested that the intersectoral team approach was being implemented with some success, although a few pointed out that in their mission experience, these teams often atrophied or were considered less important than their purely sectoral counterparts. Since much of the Washington function is to review mission strategies, respondents were asked whether their bureaus and offices had active intersectoral teams in place, or whether criteria for reviewing cross sector linkage issues in missions had been developed. The general response was "not really."

Issues:

System constraints arising from the current strategic planning system are widely acknowledged, but their actual impact is difficult to ascertain from the Washington perspective. Examples of field programs were advanced to illustrate the problem. However, there were also references to Missions that have successfully overcome some of these constraints, raising questions on: 1) the way they developed cross sector programs; 2) the extent to which these programs are being internalized by key technical managers in the field and Washington; and, 3) whether a cross sectorally linked strategy is sustainable and not just the product of a forceful and visionary Mission director or program manager.

6. Operational and budgetary factors affecting cross sector programming

In addition to problems associated with internal planning, budgeting, and reporting systems, respondents pointed to several very powerful external factors constraining the Agency's ability to pursue cross sector programming, including:

- **Congressionally directed programs:** During the interview process, a notional Agency development account budget was announced, which a respondent described as 97 percent directed by Congress. As one senior program officer put it, we have both a "dearth and a surplus at the same time," referring to the abundance of funds available to HPN, for example, versus the very small amount now available for agricultural development or democracy and governance. Respondents suggested that when funds are directed by Congress, they want to see that the funds went for those purposes and not for others. Sector programs with well developed technologies and very clear and appealing objectives, such as reducing infant and child mortality, have a major advantage over programs in which the goals and technologies may be substantially more ambiguous or difficult to isolate for programming purposes. Cross sector programming, to the extent it requires budget reallocations away from successful programming formulae, is substantially constrained by the earmarking process.
- **Personnel Constraints:** Cross sector programming takes a certain breadth of understanding of the development process, a certain level of programming experience, and enough leadership quality to succeed in "getting out of the box," according to many respondents. Moreover, just managing the routine business of the Agency takes enormous time and energy. Unfortunately, the severe reductions in personnel inflicted on the Agency, as well as other macro level organizational distractions, have diluted the number of experienced professionals, especially those with senior-level mission experience. Respondents argued that initially at least, cross sector programming is more difficult and labor intensive, and Missions with very limited staffs are going to naturally resist high maintenance types of programs, especially if the system offers other alternatives.

Issues:

The balance of impact between self inflicted and externally inflicted constraints on the Agency's ability to pursue cross sectorally linked programs is difficult to assess. Some respondents argued strongly that reduced budget and personnel resources should lead to greater cross sector programming, since the Agency must learn somehow to "get more bang" from available development bucks. One respondent concluded, "we simply cannot let our procedures get in the way of intelligent programming." Others pointed to lack of discretionary funding as the most important issue, observing that even highly visible initiatives such as NPI were severely under-funded. In a bureaucracy, budget

drives the mandate and little else matters, these respondents asserted.

7. Strategies for enhancing cross sector programming

Several approaches to overcoming constraints and for positively encouraging cross sector programming were mentioned, although most respondents had not given the issue sufficient thought and analysis to warrant that any of these suggestions be considered more than tentative. Suggestions for change included:

- **New policy guidance:** A few respondents felt that better guidance should be provided to Missions and Washington-based operating units on the issue, and looked to this study to advance that process. Others strongly opposed issuing more policy guidance, arguing that the bureaucratic requirements of monitoring and reporting on such directives outweigh the benefits. However, some felt that additional guidance, particularly as part of the SO reform process now underway, might be helpful.
- **Organizational changes:** As mentioned above, several respondents suggested that Agency leadership should encourage and facilitate cross sector team formation in the field and Washington as a means for facilitating synergistic programming.
- **Reporting system reform:** At least two respondents stated that some way must be found to develop a data reporting system that allows one to assemble program information in a more sophisticated manner, enabling senior leadership to empirically demonstrate to Congress the level of effort and the value of cross sector programs.
- **Budget support:** Few respondents felt that much could be done to relax the high level of congressional earmarking, which reduces Agency flexibility and introduces distortions in the way funds are allocated across sectors.
- **Support experimental missions:** One suggestion was that instead of Missions having to fight for innovative cross sector D/G linked programs, USAID should actively develop a pilot program whereby some of them would be assigned experimental status in this regard. The experiment would be closely monitored and evaluated for success, as well as for recommendations relating to changes needed in the Agency's larger planning, budgeting, and operational systems.
- **More and more visible senior leadership:** While the rhetoric is mostly sound, there is a layer of professional management that resists change and is either not convinced intellectually or bureaucratically that cross sector programming should become the norm rather than the exception. Reducing resistance will require a combination of convincing evidence, and the substantial integration of cross sector criteria into the Agency's normative and

operational culture.

III. CONCLUSIONS

Data gathered from the interviews with senior AID/W program managers has been discussed and analyzed in the preceding sections of this paper. Based on this, the following conclusions are advanced tentatively (with full knowledge that they are to be tested in upcoming field studies):

- Agency rhetoric is substantially supportive of cross sector D/G linked programming, but no specific policy exists.
- Cross sector programming is not in the mainstream of USAID strategic planning or program implementation, for a variety of reasons discussed above.
- A number of Missions have developed strategies and programs that reflect cross sector programming norms, but these are the exception rather than the rule. All have had difficulty in gaining AID/W approval for these approaches.
- Changes in Agency planning, budgeting, organizational structuring and reporting systems will have to take place if cross sector programming is to become a normal feature of USAID development strategies.

APPENDIX I**List of Persons Interviewed at USAID Washington**

1. John Breslar, ANE
2. Chuck Costello, Global
3. Colete Cowey, ENI
4. Mike Deal, LAC
5. Dirk Dijkerman, PPC
6. Dina Esposito, BHR
7. John Grant, BHR
8. Bobby Herman, ENI
9. Nancy Hooff ENI
10. Tim Mahoney, LAC
11. Don Muncy, AFR
12. Norm Nicholson, PPC
13. Mary Ann Riegelman, ENI
14. Cathryn Thorup, PPC
15. Barbara Turner, Global
16. Sarah Wines, Global
17. Jerry Wolgin, AFR

APPENDIX II

Documents Reviewed

Agency Performance Report, January 1997.

Agency Performance Report, January 1998.

Decentralization as a Means of Building Democracy: A Seminar to Study Experience and Prospects, IPC II, Management Systems International, August 1997.

Democracy and Governance and Cross-Sectoral Linkages: Pilot Study, Dominican Republic, CDIE, August 1998.

Democratic Governance and Sectoral Policy Reform: Linkages, Complementarities, and Synergies, Derick W. Brinkerhoff, IPC Monograph No. 5, Management Systems International, February 1998.

Linking Relief and Development in the Greater Horn of Africa. USAID Constraints and Recommendations, Inter-Agency Team on Rapid Transitions from Relief to Development, The President's Greater Horn of Africa Initiative, May 1996.

Making Cities Work: USAID's Urban Strategy, September 1998.

NPI Resource Guide (New Partnerships Initiative), Vol I and II, January 1997.

Partnering for Results: A User's Guide to Intersectoral Partnering, November 1998.

Refining Transition Assistance, BHR, Office of Transition Initiatives, May 1998.

Scope of Work, Task Order No. 15: AEP-5468-I-00-60006-00, AEP-1-00-96-90006-00. Democracy and Governance and Cross-Sectoral Linkages, Management Systems International, 1999.

Strategic Plan 1997-2002, Center for Democracy and Governance, April 1997.

USAID Reform Roadmap, AA/PPC, October 1998.

USAID Strategic Plan, September 1997.

USAID Strategies for Sustainable Development, March 1994.