THE NEW DYNAMICS OF AID: POWER, PROCEDURES AND RELATIONSHIPS

Summary: Effective poverty reduction requires narrowing the gap between words and actions, making trust and accountability real within and between organisations, at all levels and between all actors. Aid agencies today are shifting emphasis from projects and service delivery to a language of rights and governance. They have introduced new approaches and requirements, stressing partnership and transparency. But embedded traditions and bureaucratic inertia mean old behaviours, procedures and organisational cultures persist. The way forward is to achieve consistency between personal behaviour, institutional norms and the new development agenda.

The changing context

Recent years have seen major shifts in the policies of most aid agencies, whether multilateral lenders, UN agencies, bilateral donors, foundations or international non-government organisations (INGOs). Poverty reduction is more than ever the overarching goal. The local knowledge and priorities of poor and marginalised people have new prominence. Participatory Poverty Assessments (PPAs) and Poverty Reduction Strategy Papers (PRSPs) have been introduced, in part with the hope that they would enable poor people to influence policy. Capacity building for policy influence is high on the agenda. Through sector-wide approaches, aid agencies now support Government budgets once by-passed or funded only with stringent conditions. Agencies have been shifting from supporting projects and service delivery to becoming co-players in broader political processes; they are seeking new relationships, with more ownership by partner countries, organisations and citizens.

The gap between words and actions

The new language of aid and development implies shifts in control and in the distribution of power, yet the gap between what is said and what is done is widening. Why?

- **Empowerment** implies power to those who are subordinate and weak, but the usual practice between levels of hierarchy is control from above. Aid agencies impose conditionalities at the same time as they preach empowerment.

- **Accountability** between partners is two-way up and down the aid chain, but in practice accountability downwards is rare and weak.

- **Ownership** implies national and local autonomy but this is limited by aid agencies' influence on policy, human rights and governance, whether this influence is exerted directly on governments or indirectly through citizens and civil society.

- **Partnership** implies collegial equality but aid agencies with funds often call the shots.

- **Participation** is considered a means by some and an end by others, and is used to describe a range of practices stretching from compulsory labour to spontaneous self-organisation.

- **Transparency** implies information shared between partners, and accessible in the public domain, but aid agencies and governments often keep budget details and other information about decision-making confidential.

- **Primary stakeholder** refers to the poor and marginalised but though 'primary' they participate least and have least voice.

What people said in workshops

"There's very little time and space for reflection and learning on the ground. We're all too busy dispensing funds"

"Partnership is the word used, by far, with the greatest hypocrisy"

"Gandhi believed that the way to tell if something is right or wrong is whether you feel you have to hide it. If you have to hide it, there must be something wrong with it"

"We will help coalitions and networks of partners to develop the strength to challenge us"

Changing modes and relationships in development aid

	Projects and services in the past	Programmes and policies in the present and future
Controllable and predictable	More	Less
Mental model	Simpler, linear	More complex, interlinked
Cause-effect attribution	Clearer	Less clear
Accountability, transparency	Upwards	360˚ including downwards
Power relations	Top-down	Reciprocal
Development agencies and staff	More confident	Less confident
Language	Technical	Power-related
Political sensitivity	Less	More
Donor-recipient relationships	Cruder	More nuanced
Characteristic procedure	Logical framework	Negotiated principles and process

Ambiguities and contradictions can never be fully eliminated. But while they remain marked, pro-poor policies and practices will fall below their potential. By the same token, narrowing the gaps between these words and what happens presents a potent means to focus pro-poor policies and practices and make them more effective.

Current practices maintain the gap

Much current practice stands in the way of aid agencies practising what their words imply. Hierarchy in organisations presents an embedded obstacle to change. It is reinforced by top-down development targets and pressures to scale up programmes and achieve wide impacts. Dominating behaviour is associated with creditor-debtor and donor-recipient conditionalities in structural adjustment programmes and with the Heavily Indebted Poor Countries Initiative (HIPC) and PRSPs. It is sustained and reproduced by the culture and incentives of donors, and of lending organisations like the World Bank. Procedures provide structures that express and maintain institutional cultures and relationships. Control-oriented cultures and required procedures like the logical framework approach (LFA) remain widespread.

Drives to disburse funds by deadlines, and to spend within fixed periods, weaken or kill participation, ownership and local self-reliance, undermining social networks and leading to low quality in programmes. Misleading and overfavourable information is passed up the chain, delaying or preventing learning and change. Time spent reporting is excessive especially when several donors or lenders have different requirements. Staff are disempowered and demotivated when they lack discretion and are driven by targets and orders from above, especially front-line field workers.

"Living in the contradiction between the demand for tight budgets, short-term measureable results, targets, a belief in cause and effect, linear social change and avowed commitment to process, ownership of change by the poor, locally driven agendas... is very painful for all kinds of people up and down the aid chain."
– Workshop participant, IDS

LFA – the logical framework approach

The logical framework (logframe) has been prominent. With antecedents in management practices of the 1950s and 1960s, and earlier applied to projects and infrastructure, it embodies a linear logic associated with simple and controlled conditions. It has given rise to much debate and caused much anguish. Whatever its merits and demerits, it is striking that those who favour it most are those whose power and control it enhances, and those who like it least are those whose discretion it diminishes. The latter have repeatedly found logframes irrelevant, rigid, constraining and disempowering. Opinion is now divided between those who advocate the preservation of the logframe and its use, those who apply it in modified ways, and those who argue for doing things differently.

Obstacles to change

New processes and procedures are one means for change. Standing in the way are personal and institutional inertia and desires for power and control. It has often been found harder to abolish old procedures than to introduce new ones. The reasons include:

- **Risk-aversion** Abolishing a procedure, or not following one that has been abolished, means entering unknown territory with potential exposure to blame.

- **Extra work** New procedures added to old ones are resisted because they make more work.

- **Habit** Some grumble about procedures but welcome them for the protection from blame their performance provides.
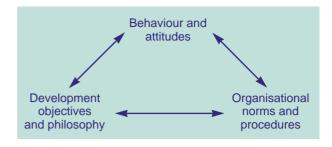
- **Conditioning** *Staff have been trained to follow approved routines and behaviours.*

- **Vested interests** *Trainers trained to train others in procedures, and consultants who are familiar with them (for example LFA consultants), sustain their livelihoods through procedures.*

- **Power** *Many required procedures entrench power and control, and provide opportunities for corruption.*

So patterns of dominance, hierarchy and control-oriented procedures persist, reducing and slowing down adaptability and responsiveness. The challenge is to bring about a genuine shift in modes and relationships in development aid.

Signs of change

There have been promising moves in these directions. Various aid agencies are taking steps to address issues of power and transparency, and to bring mutual accountability into both internal and external relationships. Some examples of new procedures include:

- **Partnership agreements**, *such as DFID's (the Department for International Development) new procedures for collaborating with larger INGOs on a basis of shared principles and trust (albeit with less evident benefits as yet for smaller partners).*

- **Two-way reporting**, *down the aid chain as well as up. ActionAid's new planning system encourages communication and accountability between levels.*

- **Participatory budgeting**, *citizen report cards and other forms of engaging citizens and service providers in mutual planning and monitoring are being encouraged by the World Bank and other aid agencies.*

- **Participatory monitoring and evaluation** *continues to be a rapidly growing field, entering virtually every segment of the aid system to varying degrees.*

- **Decentralisation** *of authority to local offices, giving more discretion to front-line staff, has become a widespread trend among aid agencies.*

Other examples abound, many of them quite encouraging. The question is whether these efforts, taken together, will lead to significant shifts in power and relationships within and among actors in the aid system – or whether they reflect a temporary homage to a passing trend. What will it take to make these changes real?

Congruence and consistency

Aid agencies can do more to enable changes in power and relationships, and to put concepts of trust, accountability and partnership into meaningful practice. There is no blueprint or 'off-the-shelf' solution for bringing reality closer to rhetoric. Experience suggests that multiple approaches can be employed, together or sequentially. The key is that such steps should promote congruence and consistency between personal behaviour, organisational norms and development objectives.

Personal behaviour and attitudes are pivotal in helping or hindering change, and directly influence wider norms and relationships. New policies and procedures are needed, but they will work best if viewed not as solutions in themselves, but as helping to create the conditions for people to increase awareness of and develop key concepts – such as rights, ownership and mutual

ALPS – the Accountability, Learning and Planning System of ActionAid

Organisations usually seek to change procedures and relationships without adequate monitoring, learning and subsequent adaptation. The opportunity is there to improve and share such learning, warts and all, wherever promising procedural change is introduced.

Staff in the INGO ActionAid were spending three months of the year writing reports. To reduce reporting, reform power relationships, and enhance learning, the Accountability, Learning and Planning System (ALPS) was devised and is being adopted and adapted. Key elements include:

- *annual Participatory Review and Reflection Processes at all levels, with multiple stakeholders from different levels;*

- *downward accountability, with transparency of budgets between all levels;*

- *space and encouragement for local diversity. Instead of a manual there are 'Notes to accompany ALPS' with at the head of each page: 'Health Warning: Ideas and options only'.*

Innovation is encouraged. At a workshop in Bangalore, ActionAid's local NGO partners were invited to evaluate ActionAid. Making the ActionAid budget transparent cleared the air and set an example for the partners to follow in turn, sharing their budgets with communities.

In parallel with ALPS new relationships have been negotiated between ActionAid and DFID on a basis of shared principles, trust and accountability. In Kenya, a Programme Partnership Agreement between the two parties accepts ActionAid's internal management and reporting system without imposing a logframe.

respect. This kind of change cannot be mandated or engineered, but it can be either nurtured or stifled by the type of leadership and climate that prevails.

The initiative for change can come from different places but the most responsibility lies with those who are *more* powerful in a relationship, as between senior managers and front-line staff; aid agencies and partner Governments and organisations; and the staff of those partners with local organisations and communities. What kind of behaviour is being modelled and rewarded? What key principles are being acted upon?

Five principles for congruence

Seeking congruence between personal, professional and organisational behaviour is a new frontier in pro-poor aid and development. The challenge is to narrow the gap between words and actions, and to acknowledge and transform power relations. This is a long-term process, requiring work on multiple levels. Recent experience suggests five key principles that can be acted upon to help create conditions for enduring change:

Personal development To recognise the significance of individual behaviour and attitudes. To identify valued personal characteristics, and for leaders to model these. To recruit and train according to desired values and professional conduct. To provide opportunities for learning, critical self-reflection and personal growth. To facilitate staff exchanges between countries, including immersion experiences in rural and urban communities, and between organisations North/South, South/South, etc.

Organisational learning To review and renew organisational norms, rewards, incentives and procedures. To adopt procedures which promote and support reciprocal relationships within and between organisations, such as two-way reporting. To remove or adjust those procedures, structures and controls which inhibit learning, feedback and innovation. To invite and reward staff innovation, and to create time and space for critical reflection.

Reciprocal relationships To acknowledge power relationships, while recognising the reciprocal and interdependent nature of aid: aid agencies and partners/recipients need one another. To strengthen the ability of partner and recipient organisations to refuse conditional aid and rigid procedures which undermine their autonomy. To enhance the capacity of poor people's organisations to contract, on their own terms, the services and technical support they need from aid agencies and intermediaries.

Mutual accountability To introduce norms and procedures for two-way reporting, accountability and transparency among all levels of an organisation, and between organisations or institutions engaged in partnerships. To combine trust and decentralised discretion over funds with timely and honest accounting.

Negotiation of process To build relationships on the basis of commonly agreed values, objectives and processes to be followed, rather than specific results. To affirm the value of outputs and indicators such as: quality of participation; capacities developed; learning; transparency and mutual accountability; and well-being as identified by poor and marginalised people themselves, including human rights.

"All our work should be critically analysed with a consciousness of power and a willingness to challenge and be challenged by the poor, by partners and by each other."
– Participatory Methodologies Forum, Dhaka

Further reading

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