DAC Network on Governance

THINKING AND WORKING POLITICALLY WORKSHOP- RD3

Room Document 3: Adapting development, Improving services to the poor - Executive Summary (ODI)
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2015 will see renewed global commitments to sustainable human development. It is clear that there is much to be done, and that new challenges have emerged since the global agreement on the Millennium Development Goals (MDGs) back in 2000. But there is less clarity on what kind of effort is now needed to deliver lasting development, and there is a big danger that new international commitments will rely on ‘more of the same’. Current projections suggest that if we continue along our current path, it will be decades – if not longer – before the world’s most disadvantaged people have access to basic services of adequate quality.

Meeting this challenge demands a radical departure from the MDG approach: extra funding will not be enough, and broad calls for ‘good governance’ or ‘inclusive institutions’ will miss the point. This report argues that if we are to avoid reproducing the pattern of uneven progress that has characterised the MDG campaign, there must be more explicit recognition of the political conditions that sometimes enable, but so often obstruct, development progress. In this context, domestic reformers and their international partners must pursue innovative and politically smart ways to tackle the most intractable problems. The report is, therefore, aimed at governments, domestic reformers and at the external actors (donor agencies, NGOs and others) that can support them better to do development differently.

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Figure 1: Years by which selected countries will achieve 100% coverage of improved water sources, according to current projections

Figure 2: Years by which selected countries will achieve 100% coverage of improved sanitation, according to current projections

Figure 1 and 2 sources: Authors’ calculations based on data from the WHO-UNICEF JMP for Water Supply and Sanitation (2000-2012).
What’s at stake?

There is no doubt that the MDG ‘progress report’ is mixed. Estimates of the time it will take different countries to achieve full access to quality services, based on recent trends, reveal the dangers of relying on more of the same.

• Only 10 of the 33 sub-Saharan African countries for which we have data will have all children completing primary school by 2020, on current projections. For almost 30% of them, this basic benchmark will not be met in rural areas for more than a generation.

• Only three countries in sub-Saharan Africa for which we have data are projected to achieve improved sanitation for all by 2030, with the vast majority of countries taking until 2100 or beyond. In Kenya, it will still take almost five generations to achieve complete sanitation coverage, or nearly 150 years.

• Even in sectors where access and quality is improving overall – such as access to improved drinking water sources – this is still far too slow in some countries; according to current projections, Burundi, Lesotho and Rwanda will only achieve full coverage by 2100.

In most countries in sub-Saharan Africa, the gap in access to quality services between the richest and the poorest is still very wide and projected to remain so. In Ghana, for example, there is a 76-year gap between when the richest and the poorest are projected to have access to a skilled health professional during childbirth – well over two generations. There is a similar story for education: averaging across the region rich, urban boys will all be completing primary school 65 years before this target is achieved for all poor, rural girls (UNESCO 2014).

Economic growth and additional spending will be important parts of the response to such challenges, but will not be enough. Analysis of the projections for countries with similar and relatively high rates of economic growth points to very diverse outcomes. Even where growth does lead to increased government revenue, this does not always translate into higher public spending on service sectors that are lagging behind, and there are continuing signs that higher spending on sectors does not guarantee better sector outcomes.

Some of this unevenness stems from the ways countries prioritise different sectors. Policy choices based on political priorities and motivations also explain varied outcomes when the levels of funding appear to be similar. Outcomes often depend on whether and how policies are implemented, through effects on people’s motivations and behaviour. Much of this is about institutions – the formal and informal ‘rules of the game’ that shape how politics works and how policies are delivered. But, while there is widespread recognition of the relevance of governance to improving service delivery, this is another area where it would be mistaken to rely on the approaches that seemed sufficient during the MDG period.
Institutions: why standard approaches often fail

As well as adequate financing, effective and equitable service delivery does require supportive governance – where governance refers to how authority, decision making and accountability operate. Yet calls for far-reaching institutional reforms under the banner of ‘good governance’ often fail to capture the way in which governance operates in reality and how it affects development outcomes. They do not recognise relevant historical experience or the range of institutions that can support better performance.

Targets for institutional improvement proposed in relation to the new Sustainable Development Goals (SDGs) fail to connect with relevant evidence in three ways:

- their reliance on international models of ‘best practice’, rather than models that are feasible in difficult political contexts
- their assumption that ‘all good things go together’ when it comes to governance, peaceful societies and development
- their neglect of the possibility that governments adopt recommended policies or institutions in a formal way only, leaving real problems unresolved.

The SDG campaign should not fuel yet more cosmetic change: it needs to be grounded in realistic assumptions about how development progress happens. Change is almost always driven by domestic forces, and often occurs incrementally, as a result of marginal shifts in the ways interests are perceived, especially by elites.

But the biggest missing link in the post-2015 discussion so far is the lack of any real discussion about the methods needed to implement any new framework. More attention needs to be focused on how domestic reformers deal with specific bottlenecks to progress in contexts that are often politically challenging, complex and uncertain. For external actors, this means gaining a much better understanding of historical legacies and current realities in countries, and working out how to support domestic actors who can drive key changes.

Doing things differently

Research evidence and practical experience are coming together to suggest that the best approach for domestic reformers and their supporters in the SDGs period combines three key ingredients.

- Working in problem-driven and politically informed ways. This might seem obvious but is rarely the norm. Such an approach tracks down problems, avoids ready-made solutions and is robust in its assessment of possible remedies. Too often, diagnosis only gets as far as uncovering a serious underlying challenge – often linked to the character of local politics. For example, studies of medicine stock outs in Malawi and Tanzania and of human resources for health in Nepal reveal how power, incentives and institutions lead to chronic gaps in supply. It is difficult to identify workable solutions to such problems, and attempts to do so often focus on the wrong things. Doing things differently means understanding what is politically feasible and discovering smart ways to make headway on specific service delivery issues, often against the odds.

- Being adaptive and entrepreneurial. Much development work fails because, having identified a problem, it does not have a method to generate a viable
solution. Because development problems are typically complex and processes of change are highly uncertain, it is essential to allow for cycles of doing, failing, adapting, learning and (eventually) getting better results. This requires strong feedback loops that test initial hypotheses and allow changes in the light of the result of those tests. Some of the greatest success stories in international development – the South Korean industrial policy being only one example – are the result of a willingness to take risks and learn from failure.

- **Supporting change that reflects local realities and is locally led.** Change is best led by people who are close to the problem and who have the greatest stake in its solution, whether central or local government officials, civil-society groups, private-sector groups or communities. While local ‘ownership’ and ‘participation’ are repeatedly name-checked in development, this has rarely resulted in change that is genuinely driven by individuals and groups with the power to influence the problem and find solutions.

The documentary film that accompanies this report provides a vivid example of what the above approach looks like in practice. Filmed in the Philippines, it follows a team of Filipino lawyers, activists and academics working in collaboration to pursue land-rights reform. Other examples cited include service-delivery improvements, resulting from work with community scorecards in Malawi; multi-stakeholder partnerships for change in Nigeria; and the involvement of users in the design of services in Nicaragua.

The call to do things differently is itself gaining momentum – as seen in the *Doing Development Differently Manifesto*, already signed by people from more than 60 countries. But turning this momentum into changes in actual practice is still a challenge. This is partly because the proposition that solutions need to be ‘discovered’ and are ‘uncertain’ remains a problem for many: for politicians who need to justify their actions to voters, and for officials who need to make decisions on how to spend funds (in their own countries or abroad). Yet this argument can be won: blueprint planning is itself high risk, and produces costly failures on a regular basis.

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**Figure 4: Local reformers in the Philippines took an entrepreneurial approach to property rights and revolutionised land titling for thousands of families.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Residential land titles issued per year</th>
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<tbody>
<tr>
<td>2003</td>
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<td>2004</td>
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Source: Philippines Department of Environment and Natural Resources.
A fresh approach to the politics of aid

Changes in domestic politics and policy processes are by far the most important drivers of development outcomes and improvements in service delivery. Donors can help reform processes to adopt a problem-driven and adaptive approach, but if they are to be effective they must act as facilitators and brokers of locally led processes of change, not as managers.

This means big changes in the way aid agencies work. And agencies will not change without new guidelines from the highest level: from ministers and other politicians who, in turn, respond to the perceptions and interests of voters and taxpayers. We propose, therefore, some major changes in how aid works and in the way aid is treated in public policy debates.

• **Aiding development that is politically smart and locally led**: Aid should do more to support initiatives that are problem-driven, adaptive and locally led. These initiatives need financial and other support that is fit for that purpose.

• **A renewed but changed focus on results**. This means not only tracking MDG-type development outcomes but also monitoring and building up an understanding of the intermediate changes in process that are most effective in improving those outcomes. Measures of how ‘adaptive’ or ‘locally led’ aid programmes are would be a good start.

• **An explicit refocusing of the debate on how aid works, not the total volume spent**. There are many areas where spending that benefits poor countries could be increased, but the current debate about targets for aid spending is too focused on the ability of the donor country to pay, rather than on whether those funds are used effectively. Looking at how aid works is more important than how much to spend.

• **A new and more honest dialogue about development and aid with the public**. According to recent evidence, ordinary citizens in donor countries are often irritated by simple ‘heart strings’ appeals. Many would welcome a frank discussion on how development happens, why it is often difficult and how aid can best support development that is both genuine and lasting. Efforts to support such a debate should be scaled up.

For references see full report at odi.org

Looking at how aid works is more important than how much to spend.
The Millennium Development Goals have delivered progress – but it’s unequal, and too slow.

At this rate, it will take decades before the poorest have access to health, education, water and other basic services.

**Sub-Saharan Africa**
The poorest rural girls will take **65 years** longer to complete primary school than the richest urban boys.

**Kenya**
On current trends, it will take almost **five generations** to achieve complete sanitation coverage, a wait of almost 150 years.

**Ghana**
The poorest people will only have access to a health professional during childbirth **76 years** after the richest people.

More money doesn’t always equal better services.

In sub-Saharan Africa, countries with similarly high levels of economic growth and similar levels of public spending still achieve very diverse outcomes.

**Why is this?**
Change happens in unexpected ways and every situation is different.

- Blueprint solutions for ‘doing development’ don’t work.
- We often overestimate governments’ capability to actually implement policies and deliver services.

For the Sustainable Development Goals (SDGs) to deliver, we need a new approach.

- Start with problems, not ready-made solutions.
- Understand and engage with politics.
- Support locally-led reform.
- Don’t be afraid to try, fail and try again.
- Think like an entrepreneur: spread risks, make small bets.

The international community must shift the SDG debate away from goals and targets towards implementation and delivery.

**Politicians and aid agencies**
must talk less about the volume of aid and more about how aid works. This means a more honest debate with the public too.

**Donors**
must stop being ‘managers’ and become brokers for locally-led change.

Sources available at odi.org/adapting-development-infographics
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