

BEST PRACTICES IN DEVELOPMENT CO-OPERATION SERIES

Policy Guidance on Enabling Inclusive Governance

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Best Practices in Development Co-operation

Policy Guidance: Enabling Inclusive Governance



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Foreword

This Policy Guidance (the Guidance) aims to support the effective and practical delivery of official development assistance (ODA) for inclusive governance. Structured around the central elements of a development project or programme – analytics and diagnostics, programme design and implementation, monitoring, evaluation and learning – it recommends a combination of policy and practical measures that can contribute to more inclusive development outcomes.

Building on the insights generated by a multiyear program of work led by the OECD DAC Governance Network (GovNet), this Guidance is primarily for governance practitioners, particularly staff involved in the design and management of programs. This Guidance is based on a body of scholarly (OECD, 2020[1]) and practical research and evidence (Rocha Menocal, 2020[2]), which examined the nature of inclusive governance and the ways in which it might be accomplished to produce effective, sustainable, and durable development outcomes. This Guidance has benefited from the inputs and contributions of several leading experts and from a dedicated Advisory Group on Inclusive Governance comprising DAC members and partners: Australia, Germany (BMZ, GIZ, and IDoS), Switzerland, UNDP and experts from the Universities of Leiden, Manchester and Oxford.

In line with Sustainable Development Goal (SDG) 16 and the global commitment to Leaving No-One Behind, this Guidance is structured around two key lines of enquiry: Why is this issue important for development actors? What have we learned about enabling inclusive governance? It then elaborates on the insights that this work has produced, and sets out a series of practical ODA policy recommendations that could be adopted by OECD-DAC members to better support inclusive governance as a means to contribute to more inclusive development outcomes.

Why is inclusive governance important for development actors?

Social, political and economic exclusion, and related problems of inequity and inequality have important implications for development. Inequality and exclusion give those with means, resources, power or status outsized influence over policy-making and decision-making processes[1]. Distributional inequity skews the provision of essential services away from those who are most in need and distorts the way in which key developmental outcomes such as economic growth, infrastructure, health, education, water and sanitation, social welfare, justice, or security are distributed or shared. High levels of social exclusion and inequality are also associated with worse outcomes in terms of economic growth, and human and social development, constrain the ability to address climate change, affected the COVID19 response and influence the likelihood of conflict. For instance, identity-based exclusion and the political, economic and social forms of inequality that such exclusion can generate may contribute to violent conflict. High levels of education inequality between different ethnicities or religions double the risk of violent conflict while the exclusion of certain ethnic groups from political power is even more strongly associated with the likelihood of conflict occurring (Pathfinders, 2021[3]). This understanding reinforces the importance of tackling exclusion, addressing the root causes of conflict, enhancing social cohesion, promoting gender equality and 'setting in place mechanisms to ensure accountability' as highlighted in the DAC Recommendation on the Humanitarian-Development-Peace Nexus.

Inclusive processes and outcomes are particularly challenged by the upsurge in autocratic modes of governance, as evidenced by several studies, including V-Dem's Annual Democracy Report 2023 which highlights that 72% of the world's population currently live in autocracies, compared with 46% ten years ago. Autocratic modes of governance often lead to the concentration of power and decision-making processes in the hands of a few actors – for instance, through the suppression of independent media, restrictions that diminish the enabling environment for civil society and the weakening of independent institutions (e.g., the judiciary). This leads to escalating political polarisation and disinformation, which in turn, reinforce the process of autocratisation (Papada et al., 2023[4]).[2] Autocratisation directly undermines

[1] Inequality and perceptions of divisions have accelerated since the 1980s, in many contexts, due to a decline in the "economics of belonging and a broken social contract" that are propagated through "narratives justifying self-interested economic action, the increased capture of policymaking by the wealthy, the impact of financial deregulation, declining labour power or other forms of popular organization, and widening development gaps between the wealthy and the rest" (Pathfinders, 2021[3]).

[2] The DAC recommendation on enabling civil society constitutes one of the tools designed to promote and protect a safe and enabling environment for civil society recognising that rising autocratisation has eroded the freedoms of peaceful assembly, association and expression thereby threatening civic space.

inclusive governance by restricting participation and engagement, and eroding the quality of institutions and citizen trust. Conversely, inclusive development outcomes such as the equal distribution of social goods and services, particularly health and education, as opposed to income inequality at large appear to reduce the likelihood of autocratisation (Leininger, Lührmann and Sigman, 2019[5]). Another factor linking autocratisation and inclusive governance lies in the fact that political entrepreneurs may instrumentalise ethnic or religious divides in contexts where "blatant mismanagement and unfulfilled promises of economic and social inclusion were often the reason for voters to choose the populist or ethno-nationalist card" (Hartmann, 2022[6]). These factors suggest that democratic contexts in which inclusive governance processes and inclusive outcomes are worsening can provide fertile ground for autocratisation. Inequalities and the rise or resurgence of populism and nationalist and/or anti-immigrant discourse in both OECD and partner countries further feed polarisation. Indeed, the imbalances that inequality and exclusion create in governance processes in terms of voice, representation, opportunity, access to and before the law, disenfranchises segments of the population, generates social tensions and undermines trust in public institutions (IDEA, 2017[7]).

The United Nations 2030 Agenda for Sustainable Development underwrites an ambitious commitment to "leave no one behind", with a focus on inclusion: SDG 16 aims to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. As an attribute of SDG 16, inclusive governance is anchored in procedural and outcome-based inclusion and is defined as follows for the purpose of this Guidance:

Inclusive governance: A definition[3]

"Inclusive governance involves *equitable*, *accountable* and *transparent* **processes and institutions** that secure the rights of people to *access, influence and exercise oversight* over decision-making processes that recognise rights and duties, distribute resources, and determine the direction of public policy at all levels, with the view to enhancing inclusive **outcomes."**

The working definition here adopted, which aims to advance the 2030 Agenda, underlines both the intrinsic, rights-based value of inclusion, as well as its instrumental purpose. This intrinsic, rights-based perspective emphasizes individual and groups' participation and influence in decision-making processes that affect their lives, while its "instrumental logic" puts more substantive emphasis on the function of inclusive processes as necessary for and/or leading to more inclusive development outcomes. The evidence shows that people value inclusive outcomes in terms of improved public services delivery (e.g., health, education), economic management, growth and job creation, poverty reduction, social cohesion and political stability. Inclusive governance *processes* are valued when people perceive their voice is taken into account in decision-making processes, when they are treated with respect and dignity and when decisions are adequately explained.

[3] Inclusive outcomes refer to an expansion of enjoyment of rights and/or a better protection of these rights for individuals and groups. It also refers to the equitable distribution of social and material benefits across divides within societies (e.g., gender, ethnicity, income, religion, caste and other), including benefits related to enhanced well-being and capacities.

However, compelling the logic of these complementary values, this Guidance recognises that reinforcing the intrinsic *and* instrumental values of inclusion in policy decision making and development is not straightforward.

Evidence shows that inclusive processes do not automatically lead to inclusive outcomes and, furthermore, that inclusive processes are not always necessary preconditions for the emergence of inclusive development outcomes. Although the tensions and distinctions surrounding both process and outcome-based forms of inclusion have a bearing across all seventeen SDGs, they have emerged as a particular development concern and priority in the context of SDG 16 on peace, justice, and strong institutions, where governance features are prominent – particularly in SDG 16.6 and 16.7. SDG 16 calls for building institutions that are not only participatory and inclusive but also, responsible, transparent, accountable and effective – recognising that these are not one and the same thing and that striking a balance between them is both necessary and difficult (Fukuyama, 2011[8]).

Enabling Inclusive Governance: What have we learned?

Evidence generated by the Synthesis Report on Inclusive Governance Case Studies, prior GovNet Working Papers and Practice Notes on this topic (both published and unpublished) and work from the Effective States and Inclusive Development (ESID) research centre, can be summarised in eight key insights.

First, there is "no automatic causal relationship" between process and outcome-based inclusion, and inclusive development can be achieved without inclusive processes. Nevertheless, there *are* several factors that can potentially enable inclusive development outcomes through inclusive governance processes.

These factors include:

- Critical *junctures.* These are moments of significant change that can serve as catalysts to re(shape) political orders in more inclusive directions (for example, peace processes that end violent conflict, elections that shepherd in political leadership with commitments to development and reform; enactment of a new constitution). For instance, the electoral violence of 2007-2008 in Kenya and its resolution paved the way for the enactment of a new constitution in 2010, boosting decentralisation as a platform for inclusion;
- *Political parties* serve as vehicles to mobilize collective action and forge links between state and society (for example, parties that mobilize support around policy agendas and are driven by a programmatic vision). Political parties such as the PAIS Alliance Political Movement in Ecuador, with roots in social movements, have shaped government incentives to foster more inclusive and participatory development;
- *Strategic coalitions for reform* (for example, where different stakeholders or constituencies coalesce around a joint agenda) are often necessary to ensure sufficient traction for success. Effective coalitions tend to be able to bring elite, local and social constituencies together from a broad range of identities and representing diverse interests;
- *Social movement mobilisation* which, when sustained, can generate bottom-up pressures and incentives for change. For instance, the 2005 election of Evo Morales as president in Bolivia led to the adoption of a new constitution, affirmative action for indigenous groups and the establishment of indigenous local governments. These achievements represent the culmination of years of mobilisation of indigenous groups;
- *Ideas and narratives around more inclusive identity and belonging* for example, where less exclusionary norms around women's roles start to take hold, enabling the implementation of a law or policy related to gender equality – and leading to alignment between informal and formal frameworks for inclusion;

- *Fostering capable and effective states with linkages to society.* For example, where governments cooperate with social movements in policy design, have strong institutional capacity, autonomy and committed leadership, an autonomous bureaucracy and where there are mutually beneficial relationships between the state and certain economic/business elites;
- *Redistributive policies that tackle both poverty and inequality.* For example, cash transfer social protection programs that may be coupled with political representation quotas for women. The Bolsa Familia conditional cash transfer programme in Brazil, launched in 2003, is credited to have decreased poverty levels, improved certain health and education outcomes and reduced income inequality (Gazola Hellmann, 2015[9]); and
- *International (f)actors* For example, regional or international dynamics or frameworks that might influence or incentivize reform, such as the SDGs; or the local perceptions of, and levels of trust in, donor actors in the countries where they operate.

Second, inclusive development outcomes are shaped by the interplay between context, capacity and coalitions (ESID, 2020[10]). Context here refers to the nature of the political settlement which is a tacit agreement among powerful groups about the rules of the political and economic game. Political settlements keep the peace by providing opportunities for these groups to secure a distribution of benefits (such as resources, rights, and status) they find acceptable". Political settlements differ based on their social foundation and power configuration. Social foundations, vary on a spectrum from narrow to broad, based on the share of the powerful population that is co-opted (i.e., those who receive benefits as settlement 'insiders'). Broader social foundations will make governing elites more committed to delivering inclusive development benefits. Power configuration describes the way in which power is arranged and organised within a state ranging in a spectrum from concentrated to dispersed (based on the strength of top political leaders and allies relative to their own followers and opponents) (ESID, 2020[11]). Capacity refers specifically to state capacity in terms of the ability to develop and implement policies, which may depend on the development of bureaucratic "pockets of effectiveness" that have been offered the autonomy and capacity to deliver in a specific policy domain. Coalitions are formed by a combination of politically salient actors (e.g., bureaucrats, private sector, civil society including social movements, religious groups etc.) coming together to advocate for political reform and overcome obstacles. For instance, progress on womens' political empowerment in Rwanda was influenced by the way in which the political settlement was formed in the aftermath of the 1994 genocide which was characterized by widespread use of sexual and gender-based violence (ESID, 2024[12]).[4] These events and the role of women in conflict and reconstruction ensured 'a strong focus on women's rights and political inclusion' which were promoted by alliances that were built with the ruling party and President.[5] The ability of these coalitions to act was also facilitated by Rwanda's dominant context characterised by a relatively concentrated power configuration[6], ideological commitment and high state capacity. These factors also made progress towards the implementation of anti-domestic violence laws possible.

[4] Author's interpretation from the example provided on the women empowerment page.

[5] The success of these reforms also hinged on the ideological commitment of the Rwandan political elites. Arguably, legislation and implementation of such reforms would have been more difficult in a political settlement characterised by a narrow social configuration and widespread ideological opposition of political elites to such reforms.

[6] This is arguably the case in Rwanda.

Third, it is the politics of policies and the context of operation that are fundamental to shaping the implementation and efficacy of policies. Policy outcomes depend upon the quality of institutions, prevailing ideologies and dynamics of power, as well as the ideas and values underpinning a political system. Who is included in the formulation, negotiation, and execution of decisions; how different interests – including those of politicians, policy makers, bureaucrats, civil society groups, the private sector and individual citizens – are organised; how different ideas and narratives get traction; and where power and influence lie across different stakeholders in that process, fundamentally shapes whose voices are heard, what policies are adopted and how they are implemented.

Fourth, a context specific approach that accounts for multiple, intersecting exclusions (intersectionality) and that is open to continual feedback and iteration is most likely to produce more inclusive development outcomes. Groups that have been left behind often face multiple and overlapping patterns of exclusion (due to gender, ethnicity, language, caste, migration status, class, religion) which can reinforce each other and endure over time. For instance, in Nigeria, "girls from poor Hausa communities living in rural areas were least likely to go to school" (Pathfinders, 2021[3]). Affirmative action measures (e.g., quotas for women's political representation), social protection programmes (i.e., conditional cash transfers) and investment in convening spaces where cross-sectoral learning, shared understanding and joint advocacy can develop have been helpful to redress intersectional inequalities.

Fifth, in contexts of conflict, instability or fragility, or where the aim is to prevent the outbreak of violence, horizontal inclusion of elites in decision-making processes and in terms of who benefits from resource and wealth distribution may be preferable for achieving stable outcomes in the short- to medium-term. This is because "inclusive enough" coalitions of 'parties necessary for implementing the initial stages of confidence-building and institutional transformation" allow for the monopoly on violence to be reached or maintained more quickly and efficiently, which is often a necessary pre-condition for enabling a transition from conflict to stability and inclusive development (Alda Sanchez et al., 2011[13]).[7] This is borne by evidence, which shows that political exclusion among formal opponents is the primary factor in the recurrence of civil wars across Africa, Asia, the Caucasus and Latin America in eleven out of fifteen cases studied (Call, 2012[14]). The forms of inclusive governance that are most likely to be effective will invariably change and evolve over time, but in the long term broad inclusion is required to sustain peace. This can be achieved through national dialogues and truth telling, education, citizen engagement and consultation, police and justice reform, or measures to enable distributional equity and human development (for example through investments in education, health and social policies). Building in regular feedback loops and anticipating iterative and adaptative programme shifts may be an effective means to support development programme evolution over time.

Sixth, ODA efforts to enable inclusive governance can produce adverse or 'unintended' outcomes. In recognising these prospective pitfalls, this Guidance aims to realise both the intrinsic and instrumental potential of inclusion, while avoiding doing harm. It thus seeks to remain alert to the following 'business as usual' or unintended outcomes:

- The potential for *tokenistic inclusion*, in which a marginalised group may be represented in governance processes, but their perspective does not influence outcomes. For instance, this may occur in the context of inclusive governance programming when community consultations are undertaken without taking their inputs further in project design and implementation;

[7] Parties of an inclusive-enough coalition may include civil society, informal and traditional institutions which help these coalitions acquire broader societal legitimacy and ensure that citizen security, justice and jobs reach all segments of society.

- *Non performative inclusion* occurs when a commitment is made to inclusion, but no action is taken to fulfil that commitment;
- *Adverse or differential incorporation* refers to processes by which poor or marginalised persons are included into the state, market or civil society, all the while resulting in a deepening of exclusion or exacerbating existing inequalities (Hickey and du Toit, 2007[15]). This may occur in ODA programming, for instance when land tenure systems to promote formalisation occur at the expense of communities with customary or collective land tenure systems or when women participate in microfinance programmes but are unable to repay their loans resulting in an indirect entrenchment of gender inequalities and women's dependence on men;
- *New exclusions* which can occur when the inclusion of one group unintentionally leads to the exclusion of another. For instance, conditional cash transfer programmes may exclude beneficiaries that are just above a certain threshold at a certain point of time or those lacking appropriate documentation.

Seventh, advancing inclusive governance often requires difficult 'trade-offs' and dealing with tensions and dilemmas in ODA programming. Often hard choices need to be made regarding the selection of government and civil society partners (what is the right combination? how to involve informal actors?), and on what to do in countries where the political context deteriorates rapidly? In many partner country contexts, donors need to deal with a wide variety of thorny and complex challenges that require delicate risk assessments all the while providing ODA to "leave no one behind". For instance, in the case of contexts in which a coup d'état or gradual democratic backsliding occurs, programming decisions and trade-offs might need to be made in relation to inclusive governance programming. While reactions to sudden authoritarian ruptures follow a more established playbook, donors have several response options depending on the context including: suspending general budget support (especially in response to sudden autocratisation events like a coup), re-allocating funds through different government channels (e.g., local governments, sector budget support or technical assistance to specific State entities), directly to communities (e.g., through community-driven development programmes like the National Solidarity Programme in Afghanistan), through independent civil society organizations, through multilateral organizations (e.g., United Nations agencies) and/or for humanitarian aid, especially in contexts with large-scale forced displacement and food insecurity (i.e., humanitarian aid is often perceived as less controversial and risky).

Finally, the capacity to think and act politically in a consistent manner remains a challenge. Solid political analysis is not always reflected in programming for inclusive governance, and the need for short term tangible results can compromise longer term institutional development and coalition building. Fragmented approaches can sometimes work against cross-cutting or non-sectoral issues like inclusive governance, while donor competition or lack of coordination can also adversely influence donor behaviour.

Policy Guidance for better enabling inclusive governance and development outcomes through ODA

In the context of the 2030 Agenda, and given the primacy of inclusion and Leaving No One Behind in development policy and programming, the following Policy Guidance is suggested for development actors to support both inclusive processes and development outcomes:

Diagnostics and Analysis

Undertake diagnostics geared towards understanding the context of operation including local political and economic dynamics, power relations, norms and informal processes and use that analysis to inform and adapt your programming. In particular:

Diagnostics and analysis
☐ Identify and contextualise patterns of exclusion (including legal and policy frameworks and actual practices), pressures for greater inclusion and barriers to reform, including how different actors and groups may promote or obstruct different forms of inclusion, and any historical patterns or power dynamics that might influence reform trajectories.
☐ Include the insights and expertise of local partners and communities to produce thoughtful and feasible theories of change that are linked to realities on the ground.
☐ Undertake consultations, stakeholder mappings, policy dialogues, focus groups or workshops to map, verify or validate the landscape of exclusion and possible entry points for change and, ultimately, 'co-produce' and 'ground truth' project design.

Identify and contextualise patterns of exclusion (including legal and policy frameworks and actual practices), pressures for greater inclusion and barriers to reform, including how different actors and groups may promote or obstruct different forms of inclusion, and any historical patterns or power dynamics that might influence reform trajectories. This can include the use of political economy analysis, CSO-grounded analysis, as well as local ethnographic analysis to understand the sources of exclusion and their intersectional elements. A better understanding of these will reveal the power dynamics at play in the local context, influential actors and networks, as well as appropriate local organisation partners or potential 'champions' or agents of change.

> *Example*: The Empowering Access to Justice (MAJu) project in Indonesia (USAID-funded) aimed to support access to justice and human rights for religious and minority groups. The context of operation came to be understood by leaning on the insights and expertise of local partners. The diagnostics phase concluded that the challenges in securing human rights and justice outcomes for marginalised groups were largely due to de facto practices or implementation gaps. The project thus deferred to local expertise to determine entry points for action as discrimination against target groups was rooted in different factors (e.g., social stigma, exclusionary interpretations of religion, laws and informal practices or a combination of these depending on the target group).

Include the insights and expertise of local partners and communities to produce thoughtful and feasible theories of change that are linked to realities on the ground. Local movements and organisations representing marginalised groups are typically best placed to identify instances of inclusion and exclusion, political and other power dynamics at play, and where and when it is safe or feasible to 'work with or against the grain'.

> *Example:* Enabel Belgium's *Legal Empowerment of Women Using Technology Project (Lewuti*) in Uganda, aimed to increase rural women's access to justice through digital solutions for legal empowerment. The use of a co-designed stakeholder mapping that engaged local actors and networks meant that the local context was taken as a point of departure to determine opportunities and limitations for programming. As a result, Lewuti engaged men, particularly informal local leaders, in the target communities explaining how the project would be beneficial to them. At the same time, implementing partners were concerned that pushing too hard against pre-existing norms and prejudices related to gender could produce unintended consequences (i.e., backlash). Given the two-year project timeframe, they decided to not tackle or uproot some of these more entrenched norms.

Undertake consultations, stakeholder mappings, policy dialogues, focus groups or workshops to map, verify or validate the landscape of exclusion and possible entry points for change and, ultimately, to 'co-produce' and 'ground truth' the project design. Selective, mindful, and trustful engagement with local CSOs, informal actors, government stakeholders and others can align donors and partners, project objectives and activities with locally grounded knowledge and approaches to avoid social and political backlash.

Programme design and implementation

Ensure that programme design and implementation

- ☐ Are grounded in 'credible theories of change' which refers to theories of change that consider both process- and outcome-based inclusion.
- ☐ Provide space for testing assumptions, identifying, and tracking unintended consequences, and adapting theories of change accordingly.
- ☐ Build on what already exists in a given context, including any windows of opportunity or entry points for change.
- ☐ Depart from the local context of operation to determine whether a technocratic or political approach is most appropriate to address issues of exclusion and inequality.
- ☐ Combine or, at a minimum, co-ordinate measures to support the demand (rights-holders) and supply (duty-bearers) sides of inclusive governance.
- ☐ Identify opportunities for enabling, brokering and convening locally-led spaces for collective engagement and facilitate the emergence of strategic coalitions.
- ☐ Look beyond formal representation and participation. Where prudent and feasible, engage underlying power relations and nudge norms, interests and behaviours towards more inclusive outcomes.
- ☐ Create institutional programme management and funding arrangements that serve to build trust, legitimacy and enable effective local engagement.

Being grounded in 'credible theories of change', refers to theories of change that consider both process- and outcome-based inclusion. They are realistic about what is politically and institutionally feasible, taking into account the structures, relationships, interests and incentives that underpin reform processes in a given context. Inclusive governance interventions are not introduced in a historical vacuum, and at the same time must remain alert or attendant to local ideas and narratives around inclusion, identity and belonging.

> *Example:* The theory of change behind the Swiss Development Cooperation funded *Access to Justice* project in Bolivia was tailored to the complexities of the local context and lessons learnt from an earlier phase. The project adopted an open focus (e.g., targeting indigenous groups as well as Afro-Bolivians) and took into account cultural and institutional dynamics which continued to constrain meaningful access to justice in practice. As a result, the theory of change made a link between procedural- and outcome-based inclusion assuming that novel conflict resolution methods like conciliation and mediation could lead to greater access to rights.

Provide space for testing assumptions, identifying, and tracking unintended consequences, and adapting theories of change accordingly. Do not rely presumptively on theories or transplant 'best practices' that have proven effective in other contexts.

> *Example: The program of Support for Civil Society, Full Exercise of Human Rights and Gender Equality* in Bolivia (implemented by Diakonia and funded by Sida), sought to increase access to individual and collective rights for vulnerable populations by strengthening women's rights organizations. The project context analysis did not account for the risk of co-optation of its objectives by anti-rights movements. This negatively influenced the project's ability to achieve inclusive outcomes as some of the selected CSOs had been corrupted by anti-rights political and social movements. This example highlights the importance of undertaking regular (rather than one-off) political economy analysis, and adopting adaptive and flexible project implementation, and active risk management as useful ways to test and adjust for evolving theories of change and iteratively identify and address unintended consequences.

Build on what already exists in a given context, including any windows of opportunity or entry points for change. This can be achieved in different ways, including for example, by linking programs to existing national or government commitments such as domestic laws or plans, supporting existing social movements pushing for greater inclusion, and by identifying and tackling evident barriers to more inclusive reforms, as opposed to seeking to drive the wider reform itself.

> *Example:* The *Democratic Governance Facility* (DGF) programme in Uganda (led by Denmark with several other development partners), aims to empower citizens to engage in democratic governance and used Uganda's National Development Plan (NDP) as an entry point for programming. The NDP officially committed the Government to support citizen engagement in democratic processes to bolster inclusive development processes and outcomes. This also implied a shift from focusing primarily on civil society (demand-side) to focusing on building state capacity (supply-side).

Depart from the local context of operation to determine whether a technocratic or political approach is most appropriate to address issues of exclusion and inequality. In practice, both approaches are not mutually exclusive but informed by the role of political and other power dynamics, norms and entrenched ways of working.

> *Example: The Governance, Accountability, Participation and Performance Program* (GAPP) in Uganda (USAID and DFID funded), sought to increase participation, accountability, and local governance for inclusive budgeting and effective public service delivery and adopted a mostly technical approach. This was informed by a context analysis that determined that tackling the technical barriers for CSO grantees was a more feasible path forward than tackling more overtly political issues such as tensions between the government and CSOs.

Combine or, at a minimum, co-ordinate measures to support the demand (rights-holders) and supply (duty-bearers) sides of inclusive governance. This can be done either within a project or programme in its own right, or by working in ways attendant to opportunities to ensure mandate alignment and joint working. This will likely require different forms of support and measures to tackle distinctive barriers to effective working.

> *Example:* The *GAPP* project addressed the demand-side by investing efforts in bolstering the capacity of civil society to raise their voices, engage and hold local government more accountable. On the supply-side, it sought to improve national-level oversight and accountability mechanisms as well as the capacity of local government to deliver.

Identify opportunities for enabling, brokering and convening locally-led spaces for collective engagement and facilitate the emergence of strategic coalitions. Facilitating joint advocacy, for example, or learning across diverse groups of actors and sectors (public, private, academic etc) can be a powerful means to build collaborative engagements that are based on a shared understanding of an underlying problem. Coalition building can also sustain advances and open areas for future collaboration beyond project

timeframes. Avoiding confrontation and bolstering collaboration and constructive advocacy among actors may prove useful.

> *Example:* In the case of the *MAJu* project, the emphasis on cross-sectoral learning and joint advocacy between CSOs was a key enabling factor in gaining shared understandings between excluded groups leading to a reduction in inter-group stigma and discrimination (e.g., religious groups made supportive statements on a bill targeting marginalised women).

Look beyond formal representation and participation. Where prudent and feasible, engage underlying power relations and nudge norms, interests and behaviours towards more inclusive outcomes. Adopting an approach focused on horizontal inclusion of elites, that graduates iteratively over time to tackle problems of vertical inclusion more directly, as trust and confidence are progressively built among actors (e.g., civil society, informal and traditional institutions) is one means to achieve this. Another is supporting the consolidation of emerging inclusive coalitions pursuing common policy goals. In more politically or socially fragmented contexts, nudging different groups into formal or informal dialogue may constitute a viable approach to remain engaged. In all cases, remaining alert to potential risks of corruption and elite capture is key.

Create institutional programme management and funding arrangements that serve to build trust, legitimacy and enable effective local engagement. In highly sensitive contexts, multi-donor modalities can guard against perceptions that governance processes are donor driven or that the outcomes of a particular process are non-indigenous. At the same time flexible and adaptive management, that accounts for potential exogenous shocks can foster local problem-solving and thus a sense of locally led solutions and ownership. Longer-term engagement and support for core funding are particularly notable features of more successful donor support for social accountability initiatives, despite the heightened risks of perceived foreign influence. Further, enabling dialogue with and between civil society and state partners and keeping channels of communication open can be an effective means of manoeuvring strategically in a fraught political climate.

> *Example:* In the case of *the Nepal Transition to Peace-Institute: Support to Inclusive Dialogue Process (NTTP-I*) project, financed by a multi-donor modality, ongoing financial and technical support provided by the Swiss Development Cooperation (SDC) was critical as SDC was perceived as a politically neutral actor thus endowing the NTTP-1 with a high level of trust and legitimacy. This trust proved critical to maintain the project's convening power at several moments when the peace was at its most fragile.

Monitoring, evaluation and learning

Recognising that change takes time and attribution can be difficult, the main priorities for monitoring, learning and adaptation are to:

Monitoring, evaluation and learning

- ☐ Consider both process and outcome-based inclusion in monitoring, learning and evaluation.
- ☐ Identify opportunities to iterate, adapt and adjust activities, scaling up those that work and phase out those that do not for current and future programming.
- ☐ Accommodate and learn from changing circumstances and failure.

Consider both process and outcome-based inclusion in monitoring, learning and evaluation. In highly fraught political contexts, agree on what makes for 'good enough' inclusive governance programming. Work to align the metrics for success with the slow and non-linear nature of social changes, and the prospects of process-based inclusion to yield dividends in the longer term.

> *Example*: The *DGF* in Uganda, monitored process-based forms of inclusion such as increased rights violations related to domestic violence and increased vigilance on issues of corruption and accountability. These could be 'counted' as 'good enough' metrics of progress on inclusive governance despite the absence of changes in outcomes as they embody a shift in thinking in terms of acceptability and normalization of these practices.

Identify opportunities to iterate, adapt and adjust activities, scaling up those that work and phase out those that do not to improve current and future programming. This requires assessing and tracking whether what is being tried actually works, providing space and time for reflection to ensure that the legacies of the programme (both informal and formal dynamics) are captured, institutionalised and can be replicated. Acknowledging and/or privileging local context, investing in local research and development and supporting local entities to be innovators as much as implementers are important learning components. This can also be achieved by remaining alert to unexpected outcomes that may occur, for instance by paying attention to qualitative research focused on 'story-telling', which may capture more nuanced lessons around what works and what does not.

> *Example*: In the case of the *Local Governance Monitoring and Social Accountability* project in Mozambique, which aimed to improve the accountability of officials to citizens and to enlarge and deepen citizen engagement in public affairs, lessons around informal governance work being delivered at the margins were rarely fully captured or institutionalised. One counterexample concerns improved accountability in the municipality of Mabalane which is located in a poor drought-prone area where the Frelimo party has a lock hold on power. Improvements occurred due to an effective formal-informal accountability alliance between a frontline grassroot NGO partner (*Amadi*) working with an informal intermediary. In this case, a relationship between a chief (the intermediary) and a journalist/activist (from *Amadi*) was built based on common grievances at the government for not building a bridge. While the lessons learnt from this informal alliance appear to have been captured by the project, lessons from "governance at the margins" were rarely institutionalised. Institutionalised lessons tended to come from larger Maputo-based CSOs whose work might be disarticulated from grassroot CSOs operating in the periphery.

Accommodate and learn from changing circumstances and failure. Reflecting upon the extent to which initially planned project or programme modalities and ways of working may have fallen short of expectations, can inform iterative programme implementation and enhance its predictability and results orientation. At the same time, create conditions for local partners to share failures without the fear of losing donor financing to enhance programme trust and effectiveness.

> *Example*: The *Lewuti* programme presents a successful example of adapting to unforeseen circumstances. In response to the COVID19 pandemic in Uganda, implementing partners adjusted their community engagement techniques - first using radio and subsequently conducting outreach to small groups of 20-30 people, leading to improved engagement from beneficiaries. At the same time, Ugandan implementers highlighted that longer term funding cycles and meaningful investment in local research and development are crucial for accommodating risks as well as learning from experience and failure. Without flexibility from donors, implementing partners tend to play it safe which can hamper success as success typically emerges through a process of trial and error.

Annex A. Enabling inclusive governance across the project and programme cycle

1 Diagnostics and analysis

- ☐ Identify and contextualise patterns of exclusion (including legal and policy frameworks and actual practices), pressures for greater inclusion and barriers to reform, including how different actors and groups may promote or obstruct different forms of inclusion, and any historical patterns or power dynamics that might influence reform trajectories.
- ☐ Include the insights and expertise of local partners and communities to produce thoughtful and feasible theories of change that are linked to realities on the ground.
- ☐ Undertake consultations, stakeholder mappings, policy dialogues, focus groups or workshops to map, verify or validate the landscape of exclusion and possible entry points for change and, ultimately, 'co-produce' and 'ground truth' project design.

2 Ensure Programme design and implementation

- ☐ Are grounded in 'credible theories of change' which refers to theories of change that consider both process- and outcome-based inclusion.
- ☐ Provide space for testing assumptions, identifying, and tracking unintended consequences, and adapting theories of change accordingly.
- ☐ Build on what already exists in a given context, including any windows of opportunity or entry points for change.
- ☐ Depart from the local context of operation to determine whether a technocratic or political approach is most appropriate to address issues of exclusion and inequality.
- ☐ Combine or, at a minimum, co-ordinate measures to support the demand (rights-holders) and supply (duty-bearers) sides of inclusive governance.
- ☐ Identify opportunities for enabling, brokering and convening locally-led spaces for collective engagement and facilitate the emergence of strategic coalitions.

- ☐ Look beyond formal representation and participation. Where prudent and feasible, engage underlying power relations and nudge norms, interests and behaviours towards more inclusive outcomes.
- ☐ Create institutional programme management and funding arrangements that serve to build trust, legitimacy and enable effective local engagement.

3 Monitoring, evaluation and learning

- ☐ Consider both process and outcome-based inclusion in monitoring, learning and evaluation.
- ☐ Identify opportunities to iterate, adapt and adjust activities, scaling up those that work and phase out those that do not to improve current and future programming.
- ☐ Accommodate and learn from changing circumstances and failure.