KEY THEMES

• **Momentum:** Recognizing that governance issues play a critical role in advancing sustainable development outcomes in all sectors, a number of major bilateral and multilateral donors are currently working to better integrate governance perspectives throughout their work.

• **Varying Donor Experiences:** Development actors have arrived at this common impetus toward integration in different ways. A few donors, such as the World Bank and the United Kingdom, have approached governance as a cross-cutting issue since they began work in this area. Another group, including Canada and Norway, have recently pushed for governance mainstreaming as part of a move toward focusing on fewer thematic priorities. Others, such as the UN Development Programme and the United States, are seeking to advance integration on top of their existing foundation of stand-alone governance work.

• **Balancing Core and Integrated Programs:** The push toward integration raises questions for sector-specific programs. Socioeconomic and governance programs do not have perfectly overlapping goals and some practitioners worry that integrated programs could dilute core sector objectives. Governance specialists often argue that while integration is important, there remains a need for foundational governance work aimed at broad cross-sector processes.

• **Persistent Debate over Democracy:** Some aid practitioners contend that integrated programs should seek to promote socioeconomic and democratic development simultaneously. There is some consensus on the importance of integrating principles often associated with democracy, such as accountability and participation, into programs. Yet significant disagreement persists over whether democracy per se is a necessary component of sustainable development. These differences complicate cross-sector agreement on common goals and reinforce the tendency of some democracy advocates to resist integrated programs.

• **Demand from Sectors:** Major governance challenges clearly exist in health, climate change, and other socioeconomic sectors. As a result, many practitioners in these areas are strong proponents of a governance focus. Some socioeconomic programs already address governance, but governance specialists could provide additional expertise and practical assistance.

• **Entry Points for Implementation:** Donors have made progress on multiple tools to advance integration, including governance checklists for programs and projects, governance trainings and toolkits for sector staff, and joint work between governance and socioeconomic practitioners. Governance perspectives can be incorporated at various stages in the program planning process, including in sector strategies, governance and political economy analyses, program and project designs, project implementation, and evaluations.

• **Difficulties:** While the case for governance integration is strong in theory, it can be hard to clearly prove the added value of a governance perspective in sector programs. This contributes to the challenge of persuading staff across an aid organization of the importance of integration and encouraging more cross-sector collaboration. Integrated programs also face various operational challenges, including the limited number of governance specialists available to advise integrated programs, the risk of overwhelming field staff with extra planning and reporting requirements, and a lack of clarity around how to budget and pay for integrated programs.
INTRODUCTION

This workshop grew out of a previous event convened by the U.S. Agency for International Development, the UK Department for International Development, and the World Bank in June 2011 at the Carnegie Endowment for International Peace to take stock of progress on governance assistance and explore options for greater future collaboration. A sub-group of participants in that meeting decided it would be valuable to hold a follow-on workshop on integrating governance within socioeconomic development sectors, as this is an active agenda item at many donor agencies.

The impetus toward incorporating governance perspectives throughout development work is based on the recognition that governance issues play a critical role in advancing sustainable development outcomes in all sectors. It also reflects the belief that, while valuable as a stand-alone area, governance will reach its full potential as a new way of approaching development if it is woven into traditional sectors.

While some development actors have forged a substantial consensus around the value of integration and have already made some progress in implementing this agenda, they face substantial unresolved questions about how to move forward. This workshop sought to explore those issues through an examination of comparative donor experiences with governance integration. In order to ground the discussion in practical experience, part of the workshop was devoted to examining the question of integration in two specific thematic areas, health and climate change. The health sector has already developed significant experience around health systems and other governance issues. Aid relating to climate change is in a more formative stage but is also clearly connected to governance.

This report summarizes the major points of the discussion and draws out the key opportunities and challenges moving forward.

–Thomas Carothers and Diane de Gramont, workshop organizers, Carnegie Endowment
Session 1: Current State of Governance Integration

Starting Point

In examining the integration agenda, it is important to understand it as part of the larger evolution of governance aid and to proceed from several basic assumptions about such work that have gained wide acceptance in the development community, including:

- Governance is important to development work.
- Governance is as much or more political than technical.
- Governance has both intrinsic and instrumental value.
- Governance is about more than just institutional efficiency and includes principles such as transparency, accountability, participation, and in some cases representation.
- Governance is not just about government, but is also about the relationship between states and their citizens.

Review of Donor Experiences

Canadian International Development Agency (CIDA)

- **Origins of governance work**: Canada created a governance policy in 1996 and by 2006 governance encompassed 17 percent of total Canadian Official Development Assistance (ODA) expenditures. This emphasis reflected the recognition that governance is linked to all development results.

- **From stand-alone to integrated approach**: With the adoption of the Aid Effectiveness Agenda in 2008, Canada pushed for greater accountability and focus in Canadian development assistance. To enhance and ensure coherence and coordination and with a view to achieving meaningful results, Canada has focused its efforts geographically by concentrating 80 percent of its bilateral assistance in twenty countries of focus. Canada also allocates its international assistance against five priority themes: increasing food security; securing the future of children and youth; stimulating sustainable economic growth; advancing democracy; and ensuring security and stability. Along with environmental sustainability and gender equality, governance was adopted as a cross-cutting theme across all international assistance.

- **Integration in practice**: Every project requires a governance analysis which looks at accountability, effectiveness, participation, and other issues. If the analysis reveals problems with the project design, the design has to be changed. If the analysis finds specific governance gaps which will impede project effectiveness, that gap will be filled through a targeted governance intervention. Core governance work also continues under the Advancing Democracy and Sustainable Economic Growth thematic priorities, and through aspects of other thematic priorities, such as the Safe and Secure Futures path of the Children and Youth Strategy. CIDA is still working towards full integration in practice.
U.S. Agency for International Development (USAID)

- **Origins of governance work:** Democracy and governance have been core areas of USAID work for twenty years and USAID has dedicated staff and resources for this priority, although these resources pale in comparison with some other sectors, such as global health or food security.

- **Push to integrate:** USAID is interested in integrating governance (as well as human rights and democracy) perspectives across its portfolio for several reasons, including the recognition that governance is related to aid effectiveness and sustainability, plays a critical role in implementing the Paris Principles and Accra Accord to facilitate more local and host country capacity development, and reflects the wider U.S. government interest in open government and transparency. The U.S. National Security Strategy 2010, the Presidential Study Directive on Global Development, the Quadrennial Diplomacy and Development Review, and USAID Administrator Raj Shah’s June 20, 2010, speech all support governance integration.

- **Integration in practice:** USAID is working to implement the goal of integrating democracy, human rights and governance with other technical sectors. Specifically, it is tackling two main issues from Shah’s June 20 speech: (1) second track funding for democracy, human rights, and governance within the three Presidential Initiatives (Global Health, Feed the Future and Global Climate Change) and (2) a “democracy accountability analysis” to ensure that USAID funding does not empower a government at the expense of its people. Additionally, USAID requires a gender, environment, and sustainability analysis for strategies and program design. The sustainability analysis could capture governance issues, for instance by employing a political-economy lens. Programs which include government to government assistance also need to conduct a public financial management assessment.

Norwegian Agency for Development Cooperation (Norad)

- **Push to mainstream:** Norwegian development cooperation is moving to a more thematic orientation focused on climate change, global health, clean energy, civil society, and conflict prevention and peace-building. It is doing less work in traditional core governance sectors and a recent reorganization has positioned governance staff to help address governance issues in some of the thematic priority areas.

- **Governance and deforestation:** Norway has launched an International Climate and Forest Initiative to address deforestation and forest degradation. It provides results-based aid to Brazil, and is planning to do it in Indonesia, the Democratic Republic of Congo, and other countries. This program involves substantial governance issues around anticorruption, changing stakeholder incentives, managing agriculture, and others.

UK Department for International Development (DFID)

- **Origins of governance work:** Governance at DFID began in the second half of the 1990s with the establishment of a small cadre of ‘governance and institutions’ advisers who provided advice on organizational and institutional development, for example to socioeconomic sector programs in country offices. They later began to oversee a new set of governance-specific programming. The
first governance strategy was issued in 2001. The governance agenda gained momentum with the release of the 2006 White Paper, which set out the CAR governance framework focusing on capability, accountability, and responsiveness.

- **Integration in practice**: DFID uses several analytic tools to enhance understanding of governance and political economy within its programs. These include political economy analyses and country governance analyses. The latter were made compulsory after the 2006 White Paper. The importance of paying attention to governance and politics is now widely embraced within the agency and staff members generally want to conduct governance analyses even when they are not required.

- **Core governance programs**: As DFID developed stand-alone governance programs around parliaments, civil service reform, and other core governance issues, governance specialists increasingly began managing such projects in addition to serving as advisers to other sectors. DFID’s work on peace building and fragile states in particular has led to a greater focus on core governance issues. Yet governance work is under pressure due to the difficulty of demonstrating results and value for money to a skeptical domestic public. Thus while governance as an integrative element of socioeconomic work has gained significant ground at DFID, governance as a stand-alone area of aid continues to require evidence and justification.

**The World Bank**

- **Origins of governance work**: Serious discussion of governance at the Bank began with a 1989 report on the crisis of governance in Africa, *Sub-Saharan Africa: From Crisis to Sustainable Growth*. This was followed in 1991 by the Bank’s first formal publication on governance, entitled *Managing Development: The Governance Dimension*. The first Governance and Anticorruption (GAC) Strategy in 2007 set out governance as a corporate priority and charted a strategic approach to it. The Bank does not make normative judgments on regime type and embraces an interpretation of governance that includes institutional capability, political legitimacy, and functional authority (i.e. the ability of a state to project its power throughout the country). The new GAC strategy also emphasizes the importance of the interrelationship between state and society.

- **Integrated approach**: Governance at the World Bank is not a sector; it is an approach to development and by nature an integrated issue. The Bank doesn’t talk about mainstreaming; it talks about embedding a governance approach by ensuring that governance is taken into account in country strategies, project design, and in all aspects of corporate monitoring and reporting. The Bank does a considerable amount of ‘core’ governance work, some of which is funded through special trust funds.

- **Integration in practice**: The Bank is highly decentralized and Country Directors and Task Team Leaders (TTLs) play a significant role in determining whether a governance perspective is adopted. There is no prescriptive methodology or checklists for governance integration, but the Bank has developed guidance notes and tries to give TTLs a menu of options to take forward a governance perspective. Governance and anticorruption issues are covered in the induction process for new World Bank staff. The Bank has decided not to create a separate cadre of governance advisers but is training the public sector staff to ensure that they are governance aware.
UN Development Programme (UNDP)

- **Governance work**: The focus of UNDP’s governance work is on institutional arrangements (in the broadest sense) at regional, national, and subnational levels. UNDP is a membership organization and responds to the demands of member states for assistance, which shapes the types of programs it implements.

- **Integration in practice**: The UNDP does not speak explicitly about governance mainstreaming but it does do cross-practice work where people from different sectors work together. This includes some explicit work on governance and the Millennium Development Goals, particularly around the fifth goal on maternal health. UNDP also conducts institutional context analyses to inform both specific governance work and cross-practice work. Governance principles such as accountability, transparency, and participation are supposed to underlie all UNDP programs.

**Conceptualizing Integration**

**Defining governance**

- Governance is not clearly defined and often means different things to different agencies, sectors, and individuals. Most aid organizations have moved from a narrow view of governance as institutional efficiency to incorporate concepts such as accountability and transparency. Others have broadened that to include participation, inclusion, representation, and other principles.

- Some practitioners approach governance as being closely connected to democratic values and human rights, while others do not. This is true even within aid organizations that have an overall institutional commitment to advancing democracy.

- Sector specialists in the “traditional” aid sectors, such as health, education, and food, sometimes welcome a governance perspective but tend to resist adopting a normative definition of governance based on democracy or human rights. Some practitioners agree that issues such as accountability and participation are important but argue that programs can be more effective if they are seen as politically neutral. They also note that many strong development performers, such as Ethiopia and Rwanda, are not democratic.

**Determining the goals of integrated programs**

- Integrated programs can be organized in three different ways with respect to goal definition: (1) using a governance perspective to advance a socioeconomic sector goal, (2) working on socioeconomic issues to advance a governance goal, or (3) seeking to advance both governance and socioeconomic goals simultaneously.

- Governance specialists sometimes worry that most integrated programs follow the first approach and merely fill gaps in sector programs, missing opportunities to advance the broader governance situation in developing countries.
Socioeconomic sector programs can advance governance objectives even if improving governance is not an explicit goal. PEPFAR, for instance, has done creative work on governance issues while pursuing a health goal and coming from a health perspective.

Balancing integrated and core governance programs

- As many agencies move toward mainstreaming governance perspectives, where does that leave stand-alone governance programs such as parliamentary strengthening projects or civil service reform?

- Some governance practitioners fear that integration will lead to neglect of core governance work. They argue that working on governance through socioeconomic programs is not enough. For instance, in a fragile state such as Haiti broad governance deficiencies impede progress on all development priorities. In less extreme circumstances, a broad parliamentary support program can complement an integrated project on parliaments and health policy.

- At the same time, some sector specialists contend that broad foundational governance programs are less effective than integrated programs. For example, a parliamentary strengthening program focused directly on supporting health policy may get more traction and do more to enhance overall parliamentary performance than a more general program. There is also the potential for demonstration effects, with success in one area leading to governance improvements in other sectors.

Operational Challenges

Demonstrating results

- In both integrated and core programs, governance work faces a basic conundrum: Governance is clearly relevant to all development outcomes, yet demonstrating the effectiveness of governance programs is hard. The leaders of development agencies understand the importance of governance because they are often politicians themselves, but they need to see results in order to persuade domestic publics of the importance of governance work.

- How can governance programs demonstrate their value? Evidence shows that institutional change usually takes decades to crystallize. Yet it should be possible to come up with better and more comparable indicators, similar to the current public financial management indicators.

- The health sector sometimes experiences the opposite problem. Health specialists have successfully convinced policymakers that health programs are worthwhile because they can show clear results (i.e. this many people were vaccinated this year and this many children saved). This can impede movement toward more integrated approaches because policymakers expect definite results in the near term.
Managing competing pressures on country staff

- Country offices face multiple and sometimes contradictory demands. They face pressure to get money out the door and in some cases to put more money directly into host country systems. USAID missions also usually have large amounts of specifically earmarked aid. Country offices are simultaneously being told to take governance into account, which may require questioning priorities such as budget support. This sense of policy overload can be exacerbated by the shifting policy guidance caused by leadership turnover, particularly at bilateral agencies.

- Several tools for governance integration involve additional analyses or assessments. Although these tools may be useful, some aid officials worry they will unhelpfully slow down the programming process. If there are extra assessment requirements for certain types of programs, such as government to government assistance, staff have an incentive to avoid those programs.

- Given the complexity of governance interventions, the incentive can be to do something simpler where results are easier to measure and the chances of failure are lower even if the development impact may be smaller. How can donors encourage measured risk-taking and reward staff who made a good bet even if their programs failed?

Overcoming sector silos

- Development agencies are organized along sector lines and there is sometimes limited communication among sector programs. Different programs within a particular agency are sometimes targeting the same institutions in the same countries without sharing experiences.

- Is there demand for governance perspectives from socioeconomic sector staff? It depends. Sector staff sometimes want help with narrowly defined governance gaps, but often do not want to take on a broader governance perspective. For instance, education specialists may be interested in a media campaign on their project, but do not want investigative journalism exposing problems with their programs. Governance advisers are sometimes seen as troublemakers who are making life more complicated for technical experts by asking governance questions. Some sector specialists dispute this characterization, noting that they are happy when civil society groups they support take independent positions.

- The success of cross-sector work often depends on the personal capabilities of governance advisers and their ability to work with sector colleagues.

Human resources

- Even when there is wide agreement on the importance of integrating governance into programs, designing such programs requires significant governance expertise which may be lacking.

- Agencies can send governance specialists to work directly on sector programs, but there are often too few governance specialists available and they are busy with their own projects. Another option is to train sector staff on governance issues. Some staff outside the governance sector have significant governance expertise which could be better utilized.
Session 2: Integration in the Health Sector

**Major Governance Issues**

**Health systems management**

- Improving health is often seen as tackling a series of diseases, but it comes down to building functioning health care institutions. How do you build institutions that have the capacity to deliver quality services and are held accountable?

- **Transparency**: Progress is needed to ensure that transparency mechanisms are enforced in practice. In a Global Fund project in Benin, all the drugs were accounted for on paper but when the warehouses were inspected they were empty.
  - Some donors have instituted new systems to check stocks at the facility level.
  - Donors have also worked on independent accreditation of health facilities to publish which facilities deliver quality services.

- **Accountability**: Health systems often suffer from an accountability deficit. In one study in the Dominican Republican, 80 percent of doctor time could not be accounted for. What can be done to ensure people come to work and do their jobs effectively?
  - Consequences: An experiment in Brazil showed that hospitals where managers had autonomy to fire or transfer staff and had to publish health indicators online performed significantly than hospitals where staff could not be fired.
  - Incentives: Increasing pay for health staff across the board has not been shown to increase performance, but performance-based bonuses can, especially if the bonuses reward institutions as well as individuals.
  - Public complaints mechanisms can be useful, but they need to be paired with enforcement mechanisms.

**Role of non-state actors**

- Many people in developing countries, even the very poor, turn to private health care because they are not getting what they need from the public sector. Private sector governance issues, for example artificially high prices created by monopolies, thus also need to be addressed.

- Civil society organizations play important roles both as health providers and as advocates. Donors have programs directly assisting civil society in relation to the health sector, such as USAID’s support for the Foro Salud civil society forum in Peru.

**Expanding the information base for decision-making**

- Donors work with governments to improve their capacity to do national health accounts and measure and track spending on health.

- Donors have also worked on demographic and health surveys. These surveys often reveal that people are going to the private sector even when free public sector health care is available and that their health priorities differ from those of donors.
Openings for Integrated Programs

Push for integration

- Health specialists in many places have tried multiple interventions before recognizing that the governance situation needs to be addressed for progress to occur.

- Donors have committed large amounts of funding to health in the emergency phase of addressing HIV/AIDS and other diseases, but they realize they cannot sustain this level of funding indefinitely. Health programs are increasingly been pushed to show sustainability and country ownership.

- The HIV/AIDS response has had a governance orientation in part because it brought in many new types of actors. It was rights-based and driven by people with advocacy and legal backgrounds as well as health professionals. It requires dealing with different kinds of institutions such as family planning agencies, child survival organizations, and the justice system.

- Many countries are decentralizing and facing new capacity problems as local governments attempt to take over health services.

- Some health programs are willing to use their aid money for governance interventions. PEPFAR in 2009 funded a program in Uganda on local governance strengthening, with an initial but not total emphasis on health and HIV.

Added value of governance integration in health

- **Overall value**: Health and governance practitioners approach issues like accountability in different ways and can benefit from each other’s perspectives. Governance specialists can also share some of accumulated lessons of governance work, such as the importance of informal institutions.

- **Specific governance expertise**: Governance staff include people with high levels of expertise in certain subsectors, like media, which can be useful to health programs working with those areas.

- **Wide relationships with governing institutions**: Health specialists have experience dealing with health ministries, but often do not have the same knowledge of or relationships with the finance ministries, budget offices, and other relevant government institutions as governance practitioners. Health programs can benefit from linking up with these cross-sector institutions. For instance, an anticorruption program in Bangladesh connected citizen scorecards of corruption in the health sector to local government processes and the central audit authority in a way an ordinary health program would not.

- **Cross-sectoral governance issues**: Health specialists have difficulty tackling government-wide issues such as civil service reform or public financial management practices. These problems often cannot be addressed within the confines of a single sector because they are connected to broader issues. For instance, increasing pay only for health workers is likely to create discontent among public employees in other areas.
Case study: USAID in Guinea

- **Origins of program**: USAID’s overall program in Guinea was initially separated by sectors, with four different teams. Some specific projects saw positive results but the country overall was doing poorly. In 2004 USAID conducted a fragile state assessment which revealed that Guinea’s main cause of fragility was poor governance.

- **New strategy**: The mission decided to move away from separate sectoral approaches, creating a single team and making advancing democratic governance the main goal of the mission. It focused on two results: (1) improving the effectiveness and accountability of governing institutions and (2) strengthening civil society.

- **Operational work**: The program worked on a core menu of general governance issues as well as specific sector issues. It conducted civic education programs on citizen rights and responsibilities across all development areas and specifically empowered communities to increase oversight of health budgeting and ensure that drugs arrived in facilities as promised.

- **Evaluation**: A mid-term evaluation in 2010 found positive results on both democratic governance and health indicators, including improved accountability and effectiveness of service providers.

- **Success factors**: The mission was small and faced serious budget cuts, so it made sense to collapse the different sectoral groups into one team. The country team was also able to convince the Bureau of Global Health to use health money on programs which advanced both better health governance and better democratic governance.

**Challenges**

**Results**

- Health programs are expected to show clear results in terms of number of lives saved. The easiest way to measure results is through a focus on particular diseases. It is difficult to articulate the specific return on measures aimed at the health system more generally.

- There is some evidence that community participation leads to better health outcomes and that political economy analysis leads to better program planning. But there is no well-grounded larger body of knowledge on the added value of a governance perspective.

**Difficulty of bottom-up approaches**

- Encouraging bottom-up accountability and increased participation is especially difficult in the health sector because of information asymmetries. It is hard for community members to monitor whether doctors and nurses are doing their jobs effectively because health practitioners have specialized knowledge which ordinary citizens lack.

- What patients want is not always what patients need. For instance, people usually want to see a doctor and get drugs, but that is not always the best solution to their problems.
Working with country governments

- Ideally donors want to work in countries where political will exists for real change. But in the health sector, many priority countries do not have favorable political conditions. What can donors do in situations where the minister of health is not good but they have to work with him anyway? Focusing on governance may send the health program in a dangerous direction politically.

- What happens when donors want to strengthen country systems but do not trust the people in charge to set the right priorities? Donors often set their own priorities and mandate their money be used for them, but that distorts national planning and makes sustainability difficult.

Session 3: Integration in the Climate Change Sector

Major Governance Issues

Strength of governing institutions

- Responding to climate change depends in large part on effective governance measures. On the mitigation side, there are serious challenges around forest management, land use, carbon emission standards, and other governance related questions. On the adaptation side, governments need to enhance their ability to respond to the effects of climate change, including preparing for increased natural disasters and using climate change models to inform zoning and other decisions.

- Climate change faces some especially difficult governance challenges. National environmental agencies are often among the weakest and most corrupt governing institutions. Climate change touches on national, local, community, and transnational governance, each with its own responsibilities and often with little capacity to deal with these issues.

Community engagement

- It is important to improve access to information on expected climate impacts and help vulnerable populations assess and prepare for climate disruptions.

- Helping people understand impacts of climate change and of environmental activities can also serve as the basis for advocacy. For example, severe flooding in Cambodia was caused in large part by rampant deforestation. How can donors help stakeholders understand this and push back against predatory forest practices?

- Political mobilization around environmental and climate change issues can be powerful, but donors need to understand what communities care about. Their motivations are often not just about science or other technical arguments; they also touch on religion or other beliefs.

- Climate change projects also need to consider the effect of their interventions on the rights of certain communities such as forest inhabitants.
Interests opposed to change

- Since responses to climate change often threaten powerful interests, both donors and governing institutions need a strong understanding of political economy to foresee the likely winners and losers and their relative political power.

- Technically correct solutions to reduce carbon emissions or deforestation are often not politically feasible. For example, the best way to address carbon emissions in Mexico would be to target Pemex and its affiliates. But Pemex is too powerful to allow that to happen.

Openings for Integrated Programs

Added value of governance integration

- **Overall value:** As climate change specialists work with governments on low-emission development strategies and recommend certain laws and technical solutions, governance practitioners can provide insight on likely governance challenges such as laws not being enforced in practice.

- **Specific governance expertise:** Governance specialists have expertise on civic participation, human rights, monitoring programs, and other areas that could be useful to climate change programs. They also may be able to provide insight on likely governance stressors such as migration patterns and resource conflicts.

- **Cross-sectoral governance issues:** Developing country governments are receiving increasing funds from donors to address climate issues, but there are serious concerns about public financial management and government-wide accountability processes which governance specialists may be in a good position to address.

Case study: Ghana national action plan on desertification

- **Origin of program:** CIDA led a program-based approach to help Ghana develop its national action plan on desertification. The program worked with the ministry of finance and the planning department and examined policy at the national, regional, and local levels. It was not designed as a governance program per se, but the aid modality required working on governance issues.

- **Community-level resource management:** The program asked local communities for their views on climate change. It found that some opposed making planning decisions based on scientific calculations alone. Specifically, they wanted to ensure that sacred groves were prioritized and protected. These groves had religious significance and were a source of food during famines.

- **Information and accountability:** The program gave information to local communities about what money Canada was sending to the central government so that they could ensure it trickled down to them.

- **Lessons:** Leadership at the community level was critical and traditional structures played an important role at every point in the process.
Case study: adaptation in the Philippines

• **Issue:** In a particular county in the Philippines, scientific models showed serious potential impact from a 1 to 4 meter rise in sea level. An energetic mayor was interested in addressing this threat.

• **Project:** The project worked with the mayor’s office to conduct multi-stakeholder discussions with farmers, vulnerable groups, and other stakeholders to look at models of sea level rise and discuss adaptation strategies. It also looked at likely urban growth, impacts on water supplies, and considered how to relocate people in flood-prone locations.

• **Challenges:** The project was dependent on political will in the mayor’s office and it is unclear whether the effort persisted after the mayor’s departure. Adaptation also requires dealing with issues that the mayor’s office may not have the power to address.

Resources


**Challenges**

Lack of experience

• The governance community is generally not well-versed on climate issues and may be missing opportunities to impact climate policy as a result.

• Climate change is not necessarily a tangible enough threat to motivate institutional reforms and may thus not be the best entry point for governance work.

• The governance issues in climate change diverge in some ways from governance issues in other sectors. How do you mobilize political will around an issue where the costs are future and collective? It is different from an area like health where individuals have a clear incentive to demand better services. Some participants disagreed that this was a major challenge and noted that many impacts of climate change, such as floods, are immediate and hurt individuals.

Geopolitical complications

• Donors are sometimes viewed with suspicion because developing country leaders blame developed countries for causing climate change. This can hurt efforts to encourage low emissions in developing countries or work with local civil society.

• On the other hand, it should be possible to speak with stakeholders about whether governments are managing resources in a way which is beneficial to the country’s development. In Cambodia, for example, deforestation has not contributed to national development and has directly hurt citizens.
Session 4: Lessons Learned and Ways Forward

**Rationale for Integration**

**Areas of consensus**

- **Attention to governance is critical to advancing sustainable development outcomes.**

- **The pitfalls of ignoring governance are clear.** The Millennium Development Goals focus on achieving specific measurable outcomes, such as more kids in school, but this does not take into account crucial issues like what children are learning or whether their teachers are showing up. Even seemingly more technical interventions, such as road construction, are unlikely to contribute to development without attention to how roads are used and maintained.

- **Government has a role in every sector of development programming** and lasting progress often requires institutional changes. Even where government is not functional, practitioners need to understand the consequences of a lack of government.

- **Beyond a focus on governments per se, all development programs can benefit from political economy analysis tools** which provide insight into power relations, structural constraints, and other relevant elements of the local context.

- **Governance principles** such as accountability and transparency are relevant to all programs.

- **Governance specialists can contribute to programs** in other sectors by providing insight on likely governance challenges, assisting with specific governance issues, helping link sector-specific projects to wider processes, addressing cross-sector governance deficiencies, and much else.

- **A sector focus can also benefit governance work** by providing concrete entry points around issues people care about. Additionally, improved socioeconomic results from integrated programs can help demonstrate the added value of governance and be used as a platform to further governance work in other areas.

**The continuing debate around democracy**

**Is democracy required to achieve sustainable development?**

- Practitioners who believe that accountability and participation are important within specific programs do not necessarily agree that accountability and participation need to be expanded in the broader political system for development progress to occur.

- The World Bank and some other development agencies do not explicitly support democratic governance. The Bank is interested only in what set of institutional arrangements can deliver development outcomes, not regime type.
At the same time, the Arab Spring has demonstrated that inattention to the undemocratic nature of governments can hurt the legitimacy and effectiveness of development assistance.

Should democratic progress be a co-equal goal alongside socioeconomic development?

- Democracy advocates worry that if governance is seen only as a means to sustainable development it will lose recognition as a core value in its own right. In the United States an active democracy community does not want to be melted into the wider development agenda.

- Some argue that socioeconomic progress and democratic governance are equal goals which should be pursued together. The Millennium Declaration and the Busan outcome document recognized democracy, human rights, and governance as integral parts of development.

- Other participants noted that advancing democracy is a normative goal that not all development practitioners agree with. The World Bank and DFID do not make democracy a goal in its own right. Even in agencies where advancing democracy is a priority, such as USAID and CIDA, not all staff see it as a co-equal goal to socioeconomic development.

Resources to Act on Integration

Checklists

- Development agencies can require programs or country missions to read through and answer a set of questions about governance before moving forward with development projects. The Swiss Agency for Development and Cooperation has developed a tool which attempts to do this.

- In Canada the Official Development Assistance Accountability Act requires every program to examine human rights impact and conflict impact.

How-to notes and trainings

- Another approach is to try to persuade sector staff that governance is important to their programs and give them the tools to incorporate a governance perspective in their work. This can take the form of handbooks, how-to notes, trainings, etc.

- DFID has courses in political economy and other areas, such as introduction to governance, anti-corruption, security and justice, open to all staff. Socioeconomic sector specialists can get accredited as governance advisers. DFID has also developed a set of how-to notes for development practitioners on issues such as how to do a governance analysis and how to address anticorruption in the health sector.

- CIDA introduced a Governance Programming Toolkit in December 2010, prepared by the Geographic Programs Branch/Thematic and Sectoral Specialists Division Governance Team to support programs in integrating governance into the thematic priorities. The Toolkit provides illustrative programming examples under each priority, includes a detailed companion piece on related outcomes and indicators, and provides links to external resources on governance and
human rights data and indicators. The same team is now developing Tip Sheets to facilitate the integration of governance into other programming sectors, such as health, education, etc.

- **The World Bank** has a governance and anticorruption training element as part of its mandatory staff induction process. It has developed guidance on political economy analysis and other tools to help sector staff incorporate governance perspectives in their work.

- **USAID** has handbooks on democracy and governance topics.

- Some agencies already have handbooks geared toward core governance programming but there is an effort to make them more accessible to sector programs.

- Several participants also noted it would be useful to provide staff in bilateral agencies with guidance on their government’s position on democracy and governance. This could take the form of an overview of government policy and summaries of statements by senior officials.

- **Resources:** The Governance and Social Development Resource Centre ([http://www.gsdrc.org/](http://www.gsdrc.org/)) has many different toolkits and how-to notes from various donor agencies.

**Side by side learning**

- Governance specialists and sector specialists can also work together directly. This collaboration is especially useful because it brings together different perspectives. Even sector staff with some governance training may not approach issues in the same way as a governance specialist.

- **DFID** has a long experience with multi-sectoral work. Its governance specialists began as cross-cutting advisers and the idea of joint work has entered the organizational culture. There are currently 130 governance advisers at DFID.

- **CIDA** has a small group of governance specialists in its Geographic Programs Branch (GPB) Thematic and Sectoral Specialists Division (TSSD), working with (all) country and regional programs. TSSD specialists representing various sectors, including governance, support the design, implementation and monitoring of bilateral projects, often forming part of a Project Team. Project support units in the field (now being replaced by Field Support Services) have locally engaged governance specialists. Coordination between headquarters and field specialists, particularly in view of CIDA’s current decentralization, is key.

**Entry Points**

**Political economy and governance analyses**

- Political economy and/or governance analyses can reveal likely governance challenges in socioeconomic sectors and highlight possible entry points.

- The influence of these analyses depends in part on how early in the process they are conducted and how much the program can change in response to their recommendations. A political
economy analysis can help determine the objectives of a program by identifying key constraints to development and possible entry points. If the development objective is already set, an analysis can indicate the best way to approach that problem, which may have governance and socioeconomic sector components.

- Political economy analysis can help resolve some of the debates around the justification for integration by highlighting areas where governance deficiencies are clearly impeding socioeconomic development progress.

- *CIDA* is working toward conducting governance analyses at the country, program, and project level. The governance assessment is cross-cutting, similar to the environmental and gender assessments.

**Sector and country strategies**

- Several agencies are working to incorporate governance issues within their thematic sector strategies.

- At *DFID* the governance adviser is part of the discussion over country strategies and can commission governance assessments to inform these strategies.

**Program design and evaluation**

- If governance issues do not make it into the project design and results framework, they are unlikely to be prioritized even if they are included in sector strategies.

- *DFID* has a multidisciplinary project design team which brings together economists, governance advisers, environment advisers, and others. Large programs (over 40 million pounds) need to go to a quality assurance unit, where there is a review by governance and other advisers. This multi-disciplinary approach has become embedded in DFID’s organizational culture.

- *CIDA* integrates governance issues into its call for proposals. Contractors have to state how they will address governance in the project. The desired results and indicators are supposed to include governance. A multi-sectoral team works to design proposals and project concept papers are open to the agency at large for comment before they are approved.

**Nature of aid program**

- Certain aid modalities by nature involve governance issues. Sector-wide approaches and program-based approaches address governance in the policy dialogue in the field.

- Budget support usually requires an analysis of public financial management and, at USAID in the future, may also require an analysis of democratic accountability. At the same time, budget support is sometimes conducted in a way which ignores governance issues.
• The feasibility of integrated programs can also depend on the target of assistance. It can be easier to coordinate a cross-sectoral program at the local level.

• Special funding and initiatives can also further integration. The World Bank, for example, put together a gender action plan where extra money was available to projects that adopted a gender focus. The response was quite positive and many projects made meaningful progress on gender integration.

Cross-donor cooperation

• It is important to ensure that governance issues are considered in global development policy discussions. The Busan outcome document mentioned the importance of democracy, governance, and rights as an integral part of development. Is there room to insert a governance focus in the post-MDG framework?

• Donors face many similar challenges in this area and could do more to share governance assessments as well as their various toolkits and how-to notes on governance integration.

Operational Challenges

Rigid budgets

• Sector priorities and focus countries are often pre-determined. Budgets tend to be allocated by technical sector and there is limited room to move money from one type of program to another. If USAID has immunization funding, it needs to spend it on an immunization program.

• Staff may like the idea of integrated programs, but everyone wants to know if such programs will come out of their budgets. Even if several sectors come together to work on a project, they may end up with bifurcated programs with different sectors working on different parts and little collaboration.

Human resource constraints

• Most agencies have a limited number of governance specialists, and they are busy with their own programs. Is it feasible for them to also advise other sectors?

• Governance specialists without deep sector knowledge may not be viewed as useful by sector colleagues.

• Procurement processes are split into such small units that it is often impractical to have multi-sectoral teams reviewing projects.

Risk of overwhelming missions

• There is a push for all programs to do all things, including taking gender, youth, environment, and other issues into account in addition to governance. This can seem daunting.
• New requirements such as governance checklists or additional assessments may be resisted by mission staff as an added burden. Requiring special steps for certain aid modalities, such as extra assessments for budget support programs, are likely to discourage staff from pursuing those forms of aid.

• How much integration is enough to be meaningful? Should donors focus on small steps toward integration such as filling specific gaps in sector programs because they are most feasible?

Winning institutional support

• In agencies without a history of cross-sector work, it is very hard to change institutional culture and behavior and convince staff that integration is important.

• For integration to work, several things need to occur: staff need to be aware of the policy, understand what it means, be convinced it is important, and have a general level of knowledge to know how to implement it.

• Leadership is also key, and the success of integrated programs often depends on getting the program officer, mission director, sector leadership, and maybe the ambassador on board. But leadership can be fickle, so how can this be institutionalized?

• Socioeconomic sector and governance programs do not have perfectly overlapping goals. Even where there is general agreement that governance integration can advance both sector and governance objectives, staff sometimes worry that their core goal is being diluted or their project hijacked by staff outside their sector.

• When sector colleagues are convinced of the importance of integration for their goals, however, they can be its most effective proponents. In Jordan, the USAID water program became very governance focused at the initiative of the water team because they realized that governance issues were hindering their effectiveness.

• The experience of gender mainstreaming can be instructive. Even though gender was adopted as a cross-cutting focus at many agencies, it sometimes got less traction than its proponents hoped because of many of the challenges noted above. Governance is somewhat different, however, because it is easier to convince sector staff that a governance perspective will help them understand why their programs are not working. Governance programs also have independent funding and support.

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