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Fostering democratic ownership A capacity development perspective

Volker Hauck

Tony Land

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Table of Contents

Acknowledgements.....	v
Executive Summary	v
1. Introduction.....	1
2. Conceptual Overview	2
2.1. Democratic Ownership.....	2
2.2. Capacity Development and Democratic Ownership.....	3
2.3. Working with Complexity: more than Complicated.....	5
2.4. Linking Democratic Ownership, Capacity Development and Complexity	7
3. Signposts for Practice - Strategic and Operational Considerations.....	8
3.1. Promote Country Ownership and Leadership for Change	8
3.1.1.Engaging in a more ‘relational’ manner.....	9
3.1.2.Towards stronger collective action	10
3.1.3.Facilitating multi-stakeholder dialogue processes	11
3.2. Accept Complexity and Emergence as a Default.....	12
3.2.1.Adopt a more flexible approach to design and implementation.....	12
3.2.2.Engage from a more politically informed perspective.....	14
3.2.3.Work with a broader range of support modalities	15
3.2.4.Consider alternative approaches to monitoring and evaluation	16
3.3. Adopt a Broad Strategic Perspective	17
3.3.1.Consider different ways to support civil society.....	17
3.3.2.Supporting Democratic Ownership beyond civil society.....	20
3.3.3.Be Alert to risks of Social Engineering	21
4. In Conclusion.....	23
Bibliography	25

List of Boxes

Box 1: Eight accountability mechanisms to induce societal capacity	3
Box 2: Who owns? Insights from case studies	5
Box 3: Support to building an African Governance Architecture.....	8
Box 4: Relationship building through the Education Sector Working Group - Mozambique.....	10
Box 5: Delegated cooperation gaining momentum but lessons need to be drawn.....	11
Box 6: Honduras Democracy Trust backs national consensus despite volatile politics.....	11
Box 7: Organising for large-scale system change – the case of ENACT in Jamaica	13
Box 8: Protecting Basic Services approach in Ethiopia	13
Box 9: The role of churches in governance and public sector performance – Papua New Guinea.....	14

Box 10: Developing capacity for participatory development in the context of decentralisation – South Sulawesi, Indonesia.....	15
Box 11: Application of the Most Significant Change technique, Bangladesh and Laos.....	16
Box 12: Jordan Diving Club evolves into influential actor on coastal management.....	18
Box 13: Resilience and high performance amidst conflict, epidemics and extreme poverty – Lacor Hospital, Uganda	19
Box 14: Core funding for research and advocacy - The Ghana Research and Advocacy Programme.....	19
Box 15: The Philippines: civil society keeps an eye on public spending	20
Box 16: Developing capacity for tax administration – The Rwanda Revenue Authority	21
Box 17: Tanzania - Enabling NSAs through joint funding approaches	21
Box 18: Mixed results in supporting governance through civil society.....	22

List of Figures

Figure 1: Marrying ownership and capacity	4
Figure 2: Governance mechanisms	6
Figure 3: The Cynefin Framework	6

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Executive Summary

This paper reflects on how external partners can broaden and deepen their support for Democratic Ownership in the context of international development cooperation. The rationale for the paper springs from a general reflection on how to enable developing countries to foster Democratic Ownership by respecting and observing capacity development principles.

The paper sets out a perspective that regards the processes associated with the emergence of Democratic Ownership as an essentially endogenous capacity development processes. The paper argues that capacity development insights relating to emergence and change management, founded within complexity and systems thinking, offer avenues for external change agents in more effectively supporting Democratic Ownership.

Given the myriad of reflections and public debates on how to address ownership, governance and domestic accountability in the context of international cooperation, it is essentially a tall order to present completely new ideas and insights. The aim of the paper, nevertheless, is to provide a focus to link the discussion on Democratic Ownership with current understanding of capacity development, and the recent discussions about complexity and change.

The paper begins with a conceptual overview that provides a basic understanding of Democratic Ownership, highlights some of the challenges of working with complexity, and considers the links between Democratic Ownership, capacity development and complexity thinking. Informed by this conceptual overview, the paper then suggests ways to apply these principles in practice, by suggesting a number of strategic considerations and operational approaches.

- To promote country ownership and leadership for change, donors need to engage in a more 'relational' manner that goes beyond merely administering support and talking to the executives of the partner country. Yet such an approach risks that too many donors are active at field level, resulting in fragmentation and the undermining of local initiative. It therefore needs to be balanced by collective action. A third approach is to facilitate multi-stakeholder processes so that legitimate stakeholders are heard and can contribute to policy exchanges.
- Fostering democratic ownership requires the acceptance of complexity and emergence as a default that needs to be figured into the way donors engage. This requires adopting more flexible

approaches to the design and implementation of interventions, engagement from a more politically informed perspective, willingness to work with a broader range of support modalities to be able to respond to specific needs in a country context, and consideration of alternative approaches to monitoring and evaluation that can help to measure capacity change in the often fluid and intangible processes of change.

- A third consideration is to adopt a broader strategic perspective towards supporting Democratic Ownership. Different ways of supporting civil society could be considered, including forms of core funding for civil society organisations that provide space to act more independently, or the funding of small initiatives that can bring about a social contract between the state and the citizenry. Thinking more strategically might also include fostering local economic development, taxation and other forms of local revenue collection. Finally, a plea is made to avoid approaches that might be perceived as social engineering and to learn from the sometimes mixed results that have been brought about by the support to strengthening governance through civil society.

Building on these considerations, we argue that support for Democratic Ownership needs to be undertaken from a broad, holistic perspective. We recommend that the fostering of Democratic Ownership should be seen as much more than multi-stakeholder participation in projects and programmes. More fundamentally it should come to be regarded as about enabling state and society to build up their respective capacities to act in a fair, inclusive and accountable manner.

The suggestions made in this paper draw on a range of documented practices that reflect the concepts and operational approaches proposed. The paper draws largely on recent capacity development research undertaken by ECDPM¹, the experience of development organisations in the realm of Democratic Ownership, as well as the reflections and discussions of multiple actors that have been working on aid effectiveness and capacity development, more generally. The paper, however, does not dwell in any detail on domestic accountability as a key element of democratic ownership, as this topic is currently receiving considerable attention in the development policy and research communities.

¹ see: www.ecdpm.org/capacitystudy

1. Introduction

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The paper has been written for an audience that is interested in translating conceptual frameworks into approaches that can inform practice. This includes colleagues in donor agencies, national and international NGOs, as well as “local and international capacity developers”, such as management consultants or change agents operating inside or outside institutions. The scope of the paper does not extend to proposing detailed checklists to support Democratic Ownership in relation to programme cycle management, for example. A number of generic “do’s and don’ts” have been proposed, however, to provoke discussion.

² see: www.ecdpm.org/capacitystudy

2. Conceptual Overview

2.1. Democratic Ownership

The concept of ‘Democratic Ownership’ emerged during the lead up to the HLF III in Accra in reaction to the civil society concern that the Paris Declaration had defined ‘ownership’ largely in terms of government ownership and that ‘mutual accountability’ was understood as accountability between governments receiving aid and donors. It was argued that the notion of country ownership should be much more fully and broadly understood: more in terms of the political, participatory and democratic context, and essentially, as being about state-society relationships (Besson 2009).

The concept of Democratic Ownership is by no means fixed. In this paper, it is understood as embracing a view of state-society relationships founded on the participation of all actors in policy-making, development planning, implementation and review. Civic voices should be able to express themselves and citizens should have access to resources and information, and also be active in implementation, monitoring and evaluation. Legitimate governance mechanisms and institutions for decision-making and domestic accountability are necessary to build Democratic Ownership, including an independent court of auditors and media, parliaments and elected representatives, civil society organisations and local communities.³ Such mechanisms create ‘feedback loops’ at various levels to help the system perform better for the overall benefit of society.

The concept of Democratic Ownership as such, is value-laden, inspired by both technocratic perspectives – that seek as broad a participation as possible of stakeholders in any development activity; and political perspectives – that seek democratic representation in policy-making processes to make development effective and the norms and values of democratic society stronger.

Framed so broadly, Democratic Ownership is conceptually not that different from the pre-Paris Declaration discussions on civic participation in societal development and stimulating ‘good’ governance.⁴ The concept of Democratic Ownership, however, stresses the importance of national development objectives and processes being ‘owned’ by a broad range of actors and stakeholders, as well as governance institutions. It implies:

1. That these actors and institutions are respected as legitimate entities in their own right and engage in an on-going endogenous development process which they ‘own’, rather than being treated as a ‘means’ or ‘instrument’ that participates to achieve certain development results, often agreed upon between donors and aid-receiving governments; and,
2. That ownership by these actors and institutions is understood as comprising, both the ‘commitment to’, and the ‘control over’ national as well as local development processes (Whitfield 2009). This distinction seems relevant as in international cooperation ‘commitment’ is often perceived as an adequate measure of ownership, thereby neglecting that the authority to ‘oversee and correct’, e.g. by monitoring budget processes or controlling tax spending, is equally important to the exercise of ownership.

³ www.democraticownership.org

⁴ We would see the more recent discourse on ‘domestic accountability’ as an important element of Democratic Ownership. Domestic accountability focuses on the obligation of partner governments to be accountable towards their own citizens in a broader sense, whereby accountability of public authorities goes beyond the delivery of services to the population: encompassing political and general decision making, transparency about results and processes, quality of regulations, implementation of policies, etc. (Bossuyt et al. 2009).

To sum up, government and civil society ideally define the priorities for national development in a mutual and interactive process, that is framed by a democratic process. This entails an understanding of Democratic Ownership that embraces the voice of a broad set of stakeholders and thereby extends beyond formal government ownership and the electoral process that puts a government in power. It also means that **civil society actors are given the opportunity to engage in the development process independently of what the state sets out, but that this engagement takes place within the parameters set by a jointly shaped overall national policy framework and institutional set-up.**

2.2. Capacity Development and Democratic Ownership

The concept of Democratic Ownership is complementary to capacity development. According to the OECD/DAC definition, capacity development is a process by which people, organisations and society as a whole, strengthen, create, adapt and maintain capacity⁵ over time (OECD/ DAC 2006).

We understand from this definition that **Democratic Ownership is an integral part of creating capable states and engaged societies consisting of a myriad of actors that are in a constant state of interaction.** As indicated above, the ownership concept has been widened to take multi-actor/stakeholder interests into account in a democratic context. Thus part of the challenge in developing capable states and engaged societies is to establish institutions and practices that promote and safeguard democratic ownership. Strengthening domestic accountability mechanisms is particularly important in this regard (see box 1 below).

Box 1: Eight accountability mechanisms to induce societal capacity

- Reliable and legitimate 'ground rules' between people
- Transparency, access to information and awareness shaped
- Facts, broadened evidence and increased objectivity provided
- Regular monitoring and control exercised
- Improved access to recourse and arbitration possible
- Accountability loops closer to the people established
- Channels, spaces and arenas for participation opened
- A voice and the ability to articulate permitted

Source: Theisoohn (2007)

The second inference that we can draw from this definition is that **Democratic Ownership develops endogenously through complex change processes** (see also section 2.3. below). For it to emerge as a societal objective, clear commitment and leadership is required on the part of domestic stakeholders. It also depends on a range of capabilities being in place to support the process.⁶ These attributes can be found in some countries, in others it is less clear. Hence, **there are different prevailing 'ownership and capacity realities' that will influence the way Democratic Ownership emerges, i.e.:**

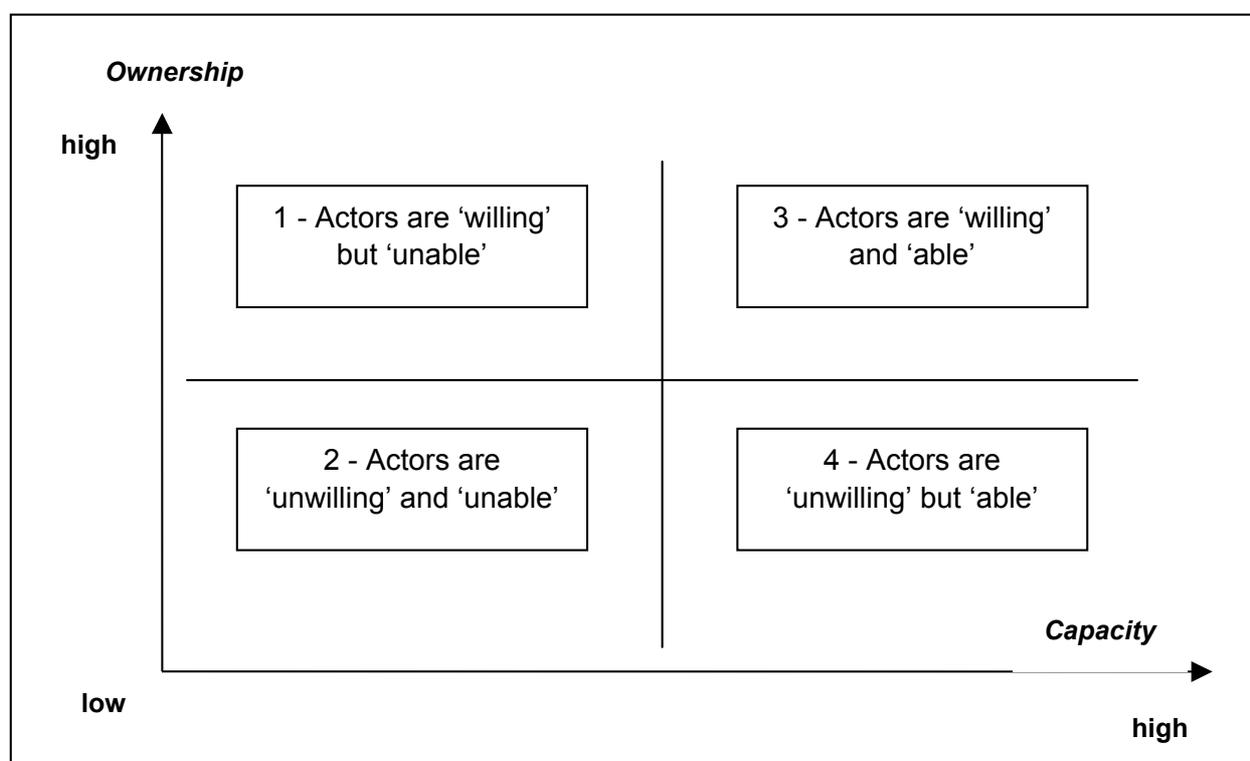
⁵ The OECD/ DAC defines capacity as the ability of people, organisations and society as a whole to manage their affairs successfully.

⁶ Capabilities are understood here as a set of attributes that together can form the capacity of a social entity, such as an organisation, a sector or a state. Attributes, for example, would be the ability to share out technical tasks; to be willing to engage in change; or to adapt to changing circumstances.

1. where capacity is strong but ownership is weak,
2. where capacity is weak but ownership is strong,
3. where both capacity and ownership are strong, and
4. where both capacity and ownership are weak.

Obviously, the boundaries are not that clear-cut. Capacities in certain sectors or levels of society may be strong while the overall national capacity is weak - or vice versa. There may also be multiple ownership situations such that they result in a strong or weak overall national ownership situation. Strong multiple and conflicting ownerships are also possible which then weaken the possibility of achieving an overall consensus and direction of change.

Figure 1: Marrying ownership and capacity



Note: This rather formal representation of ownership and capacity situations should be understood as more fluid in reality. The arrows indicate a continuum that describes contexts with varying degrees of actor ownership and capacity in a given context.

The particular balance between ownership and capacity has implications for what external actors can do to support such processes and how they can best approach their engagement. Working in the context of quadrants 1 and 3, where ownership among actors is present, is most desirable. Here the country partner can exercise leadership and outside agents can accompany the process in an appropriate manner. This would make the emergence of Democratic Ownership, as a genuinely country-led process, more likely compared with other situations.

Engagement becomes more challenging and outcomes less certain when working with actors with weak ownership for change, as reflected in quadrants 2 and 4. **All too easily, the external partner ends up in the driving seat, 'doing' rather than supporting the change process. Yet, these are precisely the**

circumstances that may prevail in aid-dependent countries and fragile contexts. Reference should also be made to countries that are not aid dependent, the middle-income states, which include those that are not particularly democratic in nature. Where capacities in such countries are strong, and ownership of a non-democratic development course is also strong, the likelihood of external agents being able to promote Democratic Ownership is probably limited.

Whatever the situation, **actors external to an endogenous change process, whether domestic or foreign, may inform, nurture and catalyse the process of democratic ownership, but they can never steer it.** Yet, given the financial crisis that puts donors under growing pressure to prove to their domestic constituencies that the money spent on development is well invested, evident tensions in supporting Domestic Ownership and capacity development need to be managed. The pressures can create an inherent tendency to undermine national ownership so that external initiatives are quickly ‘owned’ by the development agency, as pointed out in research on capacity development (see Box 2).⁷

Box 2: Who owns? Insights from case studies

“The ‘aid relationship’ has an in-built tendency to undermine ownership. Imbalances in resources, power and knowledge can give a feeling of mastery to the helper and dependence to the helped. It can confer ‘expert’ status on the helper that may be justified in terms of technical knowledge but is usually unwarranted in terms of process skills or country knowledge. It is likely to focus attention on gaps and weaknesses that can further add to the feelings of dependence and disempowerment of country actors. External initiatives quickly become ‘owned’ by development agencies.”

Source: Baser & Morgan (2008)

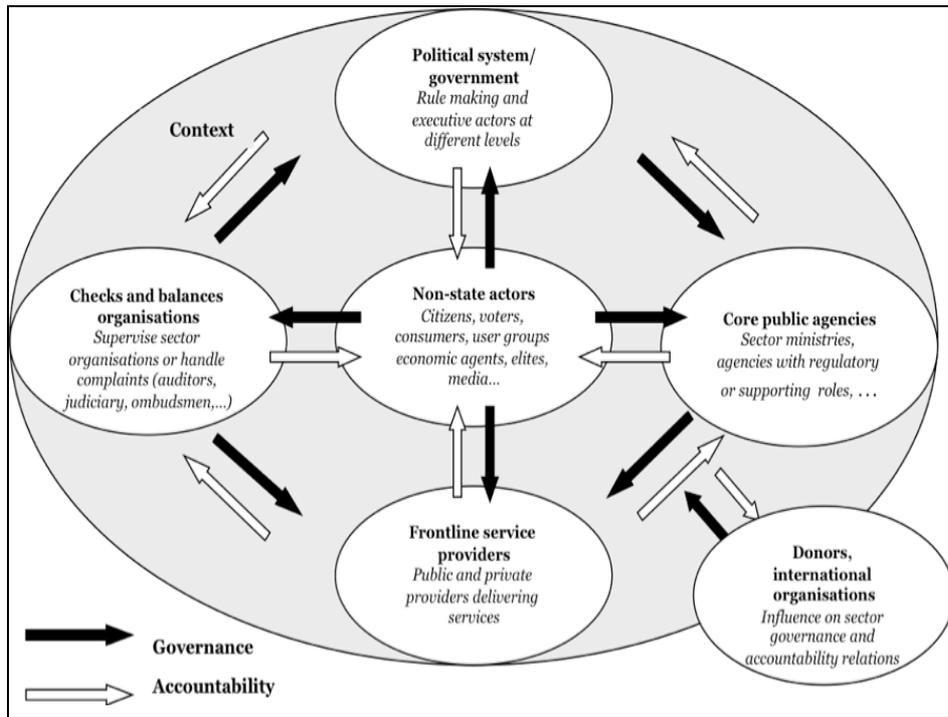
2.3. Working with Complexity: more than Complicated

Supporting Democratic Ownership is never easy. Democratic Ownership is a labyrinth of multi-actor, multi-institution, multi-layer and multi-interaction processes. External supporters recognise the need to be aware of the very different contextual situations that exist between and within countries that set the terms for supporting Democratic Ownership.

Figure 2 provides a simplified diagram of the complex web of governance and accountability relationships that support democratic ownership. What it highlights is that external supporters cannot assume a single framework or set of rules for determining the processes that lead to the emergence of Democratic Ownership. The model puts citizens at the centre of the interaction and describes how they relate to the wider political system and government, core public agencies, public and private service providers and the various checks and balances provided by specialist organisations. It also shows the influence of donors and development organisations on governance and accountability relationships of a country. Besides the apparent influences shown by the arrows, the existence of an extensive web of informal governance, invisible power and accountability relationships should not be overlooked.

⁷ For a country that is not aid dependent, the risk of ‘donorship’ is obviously much less significant.

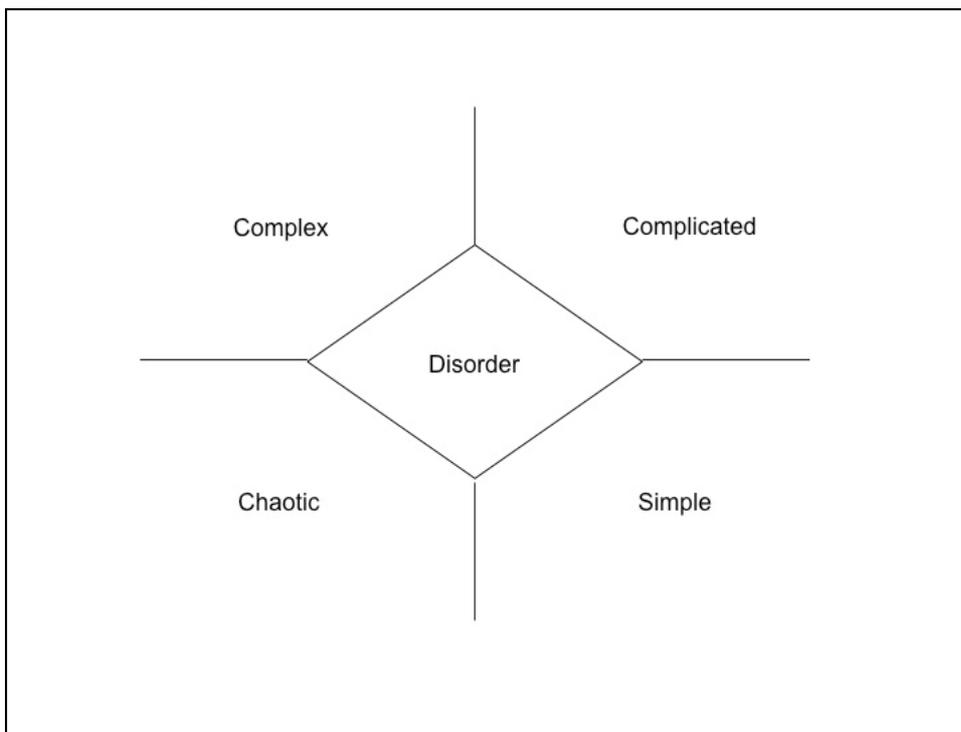
Figure 2: Governance mechanisms



Source: EuropeAid (2008)

Snowden (2007, in Woodhill 2008) developed the Cynefin framework to support management and strategic decision-making on how to deal with change processes and what this can entail in different scenarios (Figure 3). **We can adapt this framework to the challenge of supporting Democratic Ownership and apply it to working in different country or other contexts, i.e. when the context is simple, complicated, complex, chaotic or in disorder.** We have introduced this as a tool to enable us to frame the suggestions made in section 3 more clearly.

Figure 3: The Cynefin Framework



Note: This rather formal separation of the five contexts should be seen as more fluid in reality, with overlaps across the boundaries drawn.

The differentiation in the framework acknowledges the existence of ordered and disordered situations. Each situation requires different responses and different modes of engagement. Simple and complicated contexts, which can be found in more ordered situations where cause-effect relationships can be observed, allow for a certain repetition, linearity and predictability of good practice. **International development cooperation, however, takes place primarily in disordered situations that are characterised by high levels of complexity, disorder, or (as in the case of fragile states) even chaotic conditions. In such contexts, cause-effect relationships either do not exist or can only marginally be assessed ahead of time. Linearity, repetition and following good practice from other contexts - approaches that are often favoured and demanded by development agencies - then becomes more problematic** (Woodhill 2008).

2.4. Linking Democratic Ownership, Capacity Development and Complexity

To sum up, we see Democratic Ownership as essential to the processes of creating capable states and engaged societies. We recognise this to be a normative view that assumes the virtues of democratic governance, human rights and participation as the way to organise a society in a fair and efficient way. As such, Democratic Ownership is part of the intricate process of state building, which can be understood as a process of capacity development in its most macro sense, (i.e. national capacity development).⁸

The very process of Democratic Ownership is a complex matter in itself, but fostering and supporting it in environments that may be characterised as complex or chaotic, makes it even more of a challenge. It does not lend itself to straightforward, predictable solutions. Hence, **Democratic Ownership must be understood and approached from the perspective of the guidelines and principles which apply in complex capacity development and change.**

Democratic Ownership can only emerge out of a certain level of ownership and capacity which already exists among different actors and stakeholders that are both able and willing to promote it as an overarching governance system. While this is easier in stable societies, even in chaotic contexts (e.g. so-called fragile situations), forms of endogenous leadership and ownership can be found which, in principle, can be built on and supported.

Democratic Ownership is fundamentally an endogenous process. External partners can support it but have limited control and influence over the outcome. It is easy to overstep the line, misread trends, distort processes and undermine ownership and leadership for change. It demands a sophisticated understanding of the context, and an appreciation of how one's own presence and modalities of engagement may influence domestic processes.

The Democratic Ownership process is both evolutionary and unpredictable and there can be unforeseen outcomes and consequences. For external partners, this means that **conventional approaches to project design, implementation and review based on high degrees of planning and control are unlikely to work.** Instead, more flexible and iterative approaches that build on and adapt to existing levels of ownership and capacity, and that are responsive to emergent opportunities are to be preferred.

⁸ Following the DAC understanding of capacity development, it can take place among institutions, within organisations and at the wider institutional level (OECD/DAC 2006).

3. Signposts for Practice - Strategic and Operational Considerations

It was argued in section 2 that Democratic Ownership is best understood and supported from a capacity development perspective that recognizes country ownership, emergence and complexity as defining features. This suggests the need to address Democratic Ownership pragmatically and strategically. It also suggests the need to avoid approaches that make assumptions about how Democratic Ownership should be built and that have a tendency to impose externally-driven solutions. **This section signposts possible ways to foster Democratic Ownership, taking into account the conceptual framework discussed in section 2.** These approaches have been included under three broad headings:

- Promote Country Ownership and Leadership for Change
- Accept Complexity and Emergence as a Default
- Adopt a Broad Strategic Perspective

3.1. Promote Country Ownership and Leadership for Change

The principle of donors and aid-receiving countries working together in ‘partnership’ is firmly expressed in the Paris Declaration. While the partnership principle reflects progress in international cooperation thinking, it has nonetheless become something of a euphemism to paper over the realities of the relationship, especially with aid-dependent countries. Donors and aid recipients are partners, but their respective resource base and capacities make them fundamentally unequal. Avoiding donor-driven approaches is important in any context but it is particularly important when dealing with processes that address the fundamentals of how state and society engage with one another.

Donors therefore need **to reflect carefully on how they engage with partners and how they can do so in ways that enable recipients to take ownership for their own endogenous development.** This should be a fundamental starting point when framing external support for Democratic Ownership. Recent approaches to supporting African home-grown governance initiatives, for example, and building on them in cooperation with external supporters, illustrate some good practices, as highlighted in Box 3.

Box 3: Support to building an African Governance Architecture

At the pan-African level, the African Union Commission (AUC) has been designated as the lead institution to develop an African Governance Architecture (AGA). The objectives of AGA include: a) formalizing, consolidating and promoting closer cooperation between AU bodies and stakeholders on the African continent in support of better governance; b) establishing a coordinating mechanism of regional and continental efforts for the internalisation and implementation of the African Governance Agenda; c) enhancing the capacity of AU bodies and institutions in the promotion, evaluation and monitoring of governance trends, and d) promoting shared governance values. Different domestic and regional independent efforts promoted by non-state actors in Africa to improve governance exist, involving organisations like the regional ACE Récit/LaboratoireCitoyenneté, the South African Institute for International Affairs, and more recently the African Governance Institute.

At the request of the AUC, the African Governance Institute, supported by ECDPM, encouraged multi-stakeholder dialogue and discussions on key governance dimensions and institutions such as local governance, human rights, the future of the African Peer Review Mechanism, etc. It did so through pro-

active advice and advisory services on demand, background and discussion notes, and facilitation work. Gradually, the confidence and credibility of African partners and governance actors strengthened to determine their own agenda. This process contributed to the consolidation of AGA through the establishment of an African Governance Platform. The objectives of the Platform will be to organise systematic exchange of information and good practices; to improve dialogue between governance actors with a view to promoting synergies, joint action and greater impact; to elaborate joint agendas; to increase Africa's capacity to speak with one voice and to monitor effective implementation, progress achieved and compliance with the principles, values and approaches set by the AGA.

Source: ECDPM Annual Report (2009)

The key to facilitating recipient ownership and leadership is recognising the partner's will and aspiration to progress based on respect and cultural sensitivity. This can be achieved, at least in part by: i) engaging in a more relational manner, ii) promoting collective action, and iii) facilitating multi-stakeholder dialogue processes.

3.1.1. Engaging in a more 'relational' manner

Democratic Ownership requires a focus on the 'relational'⁹ which demands that field personnel of development agencies and other capacity developers go beyond talking to executives at the macro-level and do more than simply administering the support. Unfortunately, new ways of working, such as through budget support, have translated into a rather non-relational way of operating by the field offices of donor agencies. Contacts are principally made with central government institutions resulting in donors losing touch with realities on the ground and restricting ownership. This was highlighted in August 2010 by a representative of the Swedish Foreign Ministry when he addressed six hundred delegates at the CIVICUS World Assembly: "One of the problems that we face is that we tend to talk to our equals and to focus on the executive branch but not where the real ownership should be – with parliament and civil society."¹⁰

Dealing with and supporting Democratic Ownership cannot be done from a distance. It requires an active and informed field presence to be able to follow processes closely, to maintain contact with relevant stakeholders and to be sensitive to political developments and underlying power issues that often play out under the surface.

Precisely **because Democratic Ownership takes place in uncharted territory and muddy waters, this makes the relational dimension all the more important.** It might require arduous and patient nudging of the development of capacities for dialogue and engagement, time and resources to accompany sometimes tedious processes, regular interaction with relevant stakeholders at different levels and the building of relationships – as highlighted by the case of the Education Sector Working Group in Mozambique (see Box 4). As such, field staff should be given room to engage in this type of development work, become knowledgeable, able to accompany and support change. This will also require an adequate ratio between spending budgets and the field staff required to be able to support local processes in a meaningful way.

⁹ A 'relational' perspective recognises the multi-actor and multi-system environment in which international development cooperation takes place and views the assistance provided as part of a wider process that takes place in specific and often unstable contexts where 'planned' change strategies are of little value (Eyben 2008).

¹⁰ www.alertnet.org/thenews/newsdesk/ips/2dd54bf5b3bb9ff5e07d3dc0d1180c22.htm

Box 4: Relationship building through the Education Sector Working Group - Mozambique

This case from FASE, the Basket Fund for the education sector in Mozambique, originates from research carried out in 2006. While FASE has moved on, it clearly highlights the potential benefits of a more relationship-oriented way of working. Six donors supported the Fund and came together in the donor working group to accompany and advise on the education sector reform. The members of the working group were education specialists based in embassies or offices of international development agencies and members of the government. In 2004, a portion of the Basket Fund was earmarked for the Ministry of Education and Culture (MoEC) to recruit and pay for international experts with financial management knowledge. The donors supporting FASE insisted that the experts should be appointed in accordance with international recruitment standards, but selected, contracted, managed and supervised under the leadership of the MoEC – a plan which was not initially fully supported by the MoEC. It required intense policy dialogue between the donor representatives of the working group and their colleagues from government, combined with a series of technical discussions about the necessity for such a position. Once the experts were in place, however, the MoEC began to value the experts who had been mobilised.

They worked directly with the top management of the ministry and only reported to senior government officials. After two years, the MoEC extended their contracts for another period of two years, while the donors could observe the progress achieved from a greater distance.

The principal lesson learned from this case is that the donor representatives in the working group only succeeded because of the time they were able to invest in policy dialogue, relationship building with colleagues in the ministry and engaging in technical discussions that, at times, can be lengthy and tedious. Had they simply adopted a hands-off and administrative approach in supporting the education sector reform, successful recruitment of experts under the ownership of the ministry would probably not have occurred.

Source: Hauck and Souto (2007)

Relational ways of working, however, have their baggage too, and can be used as an excuse to re-establish old ways of working that might lead to floods of 'experts' and, in the process, an undermining of local capacity, ownership and initiative. It could suffocate domestic stakeholders who desire space to develop ownership of processes and to build close relationships with those they feel they really want to have working with them. A more relational approach therefore requires striking a careful balance that recognises the virtues of a more hands-off approach, such as division of labour between external supporters (see below) and an approach that helps to simplify the web of relationships and thus avoid undermining the development of domestic ownership.

3.1.2. Towards stronger collective action

Donor harmonisation can help to reduce the risks of fragmentation, on the one hand, and the undue influence of an individual donor, on the other, both of which can easily undermine country ownership and leadership. One option is to explore the possibilities of pooled funding. Another is to explore the scope for delegated cooperation. Box 5 illustrates how delegated cooperation is gaining momentum among a number of donors but lessons need to be drawn from this still fairly young mechanism.

Box 5: Delegated cooperation gaining momentum but lessons need to be drawn

The Agreement on Delegated Cooperation between the Norwegian Ministry of Foreign Affairs (MFA), the Department for International Development (DFID) and the Swedish International Development Cooperation Agency (Sida) regarding support to the Emergency Power and Back-up Capacity Programme, Zanzibar, signed in March 2010 is a more recent example of a mode of operation that has been gaining ground in the last 10 years. Under this agreement, the MFA functions as the lead donor and representing DFID and Sida – who co-finance the Programme.

Source: www.norway.go.tz/PageFiles/253880/Emergency%20Power%20and%20back-up.pdf

There is a need, however, to learn from the termination of Delegated Cooperation agreements. For example, there are lessons to be drawn from the effects of the rather rushed exit of the Swedish delegated cooperation with Norway in Malawi that took place as part of Sweden's efforts to concentrate its aid on fewer countries. A case study from 2009 reveals that "poor communication and a lack of understanding of the financial dimensions of the ending of Swedish funding" prevented national stakeholders from designing a strategy to cope with the departure of this funding partner. Critical gaps were detected "in the coordination between the development partners", in "the high dependence of civil society organisations on external funding", as well as in "the response by the remaining donor community that did not engage in shared responsibility and compensation strategies, particularly in sensitive areas such as governance."

Source: von Hagen and Schulz (2009: 17-19)

3.1.3. Facilitating multi-stakeholder dialogue processes

A third way to support country ownership is to create opportunities for multi-stakeholder dialogue so that legitimate stakeholders are heard and can contribute to policy exchange. Assistance to Democratic Ownership should thus be based on an understanding that support extends beyond government structures and election processes, and should seek to include the voice of other stakeholders as part of the national development process. As the case of the Democracy Trust in Honduras shows (Box 6) such a framework is best created through dialogue and interaction between government and civil society, and can be supported by donors. Such dialogue can only be effective when roles between government, civil society and the supporting donors have been clarified.

Box 6: Honduras Democracy Trust backs national consensus despite volatile politics

The Democracy Trust was conceived as a policy advocacy tool to encourage commitment to the country's PRSP process among political parties. By ensuring that political parties publicly backed policies of development and poverty eradication, the Trust granted the Honduran population a mechanism to hold elected officials to their commitments, and to demand their right to improved and sustainable services. Commitments to development thus would also become state policies and no longer be dependent solely on the government of the day.

Without capacity development, long-term strategies for poverty reduction are difficult to achieve. Thus, the Democracy Trust played a crucial role in promoting the growth of social capital, expanding capabilities through the creation of formal and informal communication networks across different sections of society to facilitate the exchange of ideas, as well as shared norms, goals and beliefs. In so doing, it has contributed to weaving a fabric of democratic ownership.

Source: Lopes and Theisoeh (2003)

However, the over-involvement of too many actors can quickly become a burden and result in high transaction costs. This calls for a close look at who really needs to be involved on the partner country side and what roles and responsibilities the respective actors should take on. Sound stakeholder and political analysis can help in this context, as discussed further below.

3.2. Accept Complexity and Emergence as a Default

Supporting Democratic Ownership recognises the need to operate in and to cope with ‘complexity’ and emergence. In the design phase of any envisaged support, this requires the ability to look beyond existing frameworks, beyond the centre, beyond the formal and bureaucratic and beyond broadly agreed aid approaches – in essence, such an approach should help to design what makes sense in a given context. Ideally, the design process is led by those who are best attuned to a given situation: the local partners and – where needed – donors that are recognised as knowledgeable interlocutors and representatives of a wider donor community. This calls for donors to: (i) adopt a more flexible approach to design and implementation; (ii) engage from a more politically-informed perspective; (iii) work with a broader range of support modalities; and (iv) consider alternative approaches to M&E.

3.2.1. Adopt a more flexible approach to design and implementation

The unpredictable and emergent nature of democratic ownership change processes as described in section 2 suggests that the idea of solving everything through advance planning is a fallacy and therefore a more flexible approach to design and implementation is needed instead. This **includes breaking down the rigid boundaries between design and implementation** to enable more flux between the two. It also suggests the value of adopting **longer-term perspectives** that reduce the pressure to deliver on particular immediate or short-term outputs.

In this context, **non-linear and flexible approaches to programme planning and implementation have proven to be more effective than structure and formality**. The case of ENACT in Jamaica, given in Box 16 below, shows how such an evolving approach facilitates a higher degree of responsiveness to emerging demands, a revisiting of aims during implementation, a redesign of the approach and the adaptation of previous aims. This does not mean that planning is not relevant, rather that **a balance needs to be found between planning and emergent approaches**. Log-frames can be a helpful tool in this context, provided it is used in a way that makes sense (Land, Hauck, Baser 2009). It does not mean muddling through without any plan of action, theory of change or strategy. On the contrary, working in this way should be seen as a deliberate and strategic choice that accommodates the nature of emergent and planned processes, and in so doing, takes into account the complexities and dynamics of change in which the support takes place.

Box 7: Organising for large-scale system change – the case of ENACT in Jamaica

This case relates to the Environmental Action (ENACT) Programme, a collaboration between Jamaica's National Conservation Resources Agency and the Canadian International Development Agency. ENACT's mandate was to work with Jamaican public, private and non-profit organisations to improve their capabilities in identifying and solving national environmental problems. Programme design began in 1990 but field activities only got underway in 1994. It took until 1999 to put all the pieces in place to make ENACT a high-performing support unit of the National Environment and Planning Agency (NEPA). ENACT did not work in conventional ways to develop capacity, nor was it guided by a set of pre-conceived project activities. Instead it sought to respond to emerging demands and to reinforce existing initiatives driven by local organisations through a variety of means.

ENACT's capacity development strategy combined four elements: a process approach based on responsive entrepreneurship, working across a wide spectrum of capacity development initiatives, working with a wide variety of stakeholders and partners, and at a variety of levels. The programme generated its effectiveness by achieving both internal 'fit' and by meeting the conditions and demands of the surrounding environment. The case illustrates how the donor played a facilitating role by adopting a 'hands-off' approach, and by giving ENACT and its partners time and space to develop an appropriate intervention strategy.

Source: Baser and Morgan (2008)

Working with complexity should not be used as an excuse to downscale commitment for change, or to abandon a mutually agreed course of action. It is vital to maintain **focus on results and mutual accountability**. Where country partners, governments, civil society actors, or external supporters are no longer willing to pursue agreed upon aims, support to Democratic Ownership will need to be reviewed and possibly supported via alternative entry points. The suspension of General Budget Support to Ethiopia (see Box 8) illustrates that flexibility is required, but also a willingness on the part of donors to suspend support if conditions for supporting Democratic Ownership are clearly not favourable.

Box 8: Protecting Basic Services approach in Ethiopia

Following post-election political disturbances in Ethiopia in late 2005, development partners suspended General Budget Support. In its place, an innovative funding mechanism was devised that respected the principle of working through government systems to finance basic service delivery, while at the same time strengthening social accountability mechanisms through empowerment of non-state actors. A substantial number of Ethiopia's development partners agreed to co-finance the Protecting Basic Services (PBS) programme, thereby ensuring adherence to aid effectiveness principles. A complementary funding envelope was provided which has facilitated NSA capacity development (especially with respect to budget analysis and advocacy work) and the promotion of social accountability mechanisms. The programme has helped to make budget information more transparent at local level. It has also helped with setting up mechanisms for dialogue between local government and community groups, as well as budget monitoring.

Source: Adapted from IPE-Global, 2010

3.2.2. Engage from a more politically informed perspective

External supporters also need to develop a thorough understanding of the contexts they are investing in. All too often, support to sectors or institutions starts without having a clear picture of the underlying conflicts and power relations that drive the social units of the partners and is based on a normative view of what should be rather than why things are the way they are. Too often, again, the role of certain actors – like a court of auditors or the parliament – is assumed, based on conceptual models and values that have their relevance in the donor country but are still in orbit for their partners in developing countries. Given that the principle of Democratic Ownership is very broad, there is a manifest risk of the ambitions for action becoming overstretched in too many areas. Such risks can be avoided by adopting a focused approach in selected areas of society, aimed at organisations or government institutions, sectors, or districts that have been identified as strategically and politically relevant (see further section 3.3).

It is therefore important to **invest in thorough stakeholder and governance analysis to arrive at better-informed decisions** on how to support Democratic Ownership. Ideally, donors and their partners should undertake such analyses together, include them in their dialogue about support options and carry them out before proceeding with the design and formulation of support programmes. **Such analyses do not have to start from scratch, but can build on the informal, implicit and tacit knowledge that is held by various actors and social entities in the partner country**, in particular those that have a successful track record of manoeuvring their cause through the troubled waters of a country's history. Faith-based organisations, operating in difficult areas over extended periods, as shown by the case from Papua New Guinea in Box 9, are such social entities with a wealth of knowledge that can be tapped into.

Box 9: The role of churches in governance and public sector performance – Papua New Guinea

This case concerns the contribution made by Christian churches to governance and the creation of social capital in Papua New Guinea (PNG). The position of Christian churches as a significant player in the PNG institutional landscape needs to be understood in relation to the role of traditional institutions in PNG society and the formal state's struggle to establish legitimacy at local level. The case demonstrates what churches, as a sub-set of civil society, can achieve in terms of enhancing public sector performance; public policy and decision making; transparency and information sharing; supporting social justice and reconciliation, as well as peace-building, and what capabilities enable churches to shape social capital.

Lessons for working with churches are: they may be potentially relevant actors in addressing fragile situations; most of them have a comparative advantage in building governance bottom-up; working with them requires understanding and respecting their diversity and divisions — some can be useful partners in an effort to enhance governance and social capital while it may be better to disregard others because their theological orientation is not conducive to this. Many churches operating in fragile situations are fragile themselves — while they have strengths in shaping cognitive social capital they can also benefit from capacity development support to enhance their structures, systems and other forms of sustainable social capital.

Source: Hauck (2010)

3.2.3. Work with a broader range of support modalities

The aid effectiveness agenda aimed, in part, at harmonising donor inputs and ensuring that support is 'on budget', remains crucial in terms of promoting the capacity and use of country systems. However, the focus on working through country systems (understood as government systems) and using budget-support-type mechanisms can inadvertently undermine efforts to promote Democratic Ownership.

A certain level of diversity and heterogeneity is required which allows multiple initiatives to emerge, and various actors at different levels in a society to become engaged. Major actors within the state sector may indeed merit substantial financial support, others outside of government may require only minimal support – for example, process facilitation support that enables civil society actors and local government to communicate and relate to one another in a policy monitoring process, as illustrated by the South Sulawesi, Indonesia case (see Box 10). Experience also shows that partners in developing countries look for and appreciate various forms of support.

Box 10: Developing capacity for participatory development in the context of decentralisation – South Sulawesi, Indonesia

This case study shows how Takalar district in the Indonesian province of South Sulawesi took up the challenge of tackling rural poverty through the introduction of participatory development and community empowerment methods. It covers the range of capacities that were required of various local stakeholders (local government officials, non-governmental organisations and the communities at large), the processes by which the district, in partnership with JICA, worked to develop these capacities, and the broader socio-political challenges encountered in sustaining interest in and the capacity for participatory development against the wider background of political and administrative decentralisation. Here, the external agency, JICA, played a key role as a facilitator of change, offering a safe space for innovation and learning, and forging cooperative relationships between local actors. The case highlights the challenges of introducing participatory development approaches into a bureaucratic and hierarchical environment and the need to provide appropriate incentives for different stakeholders to embrace change. It also draws attention to the influence of broader institutional change processes, as well as how creating and taking opportunities for change are affected by the legacy of a country's political economy.

Source: Land (2004)

A careful mix of cooperation instruments should therefore be considered, encompassing budget support at one end, ranging to complementary targeted programmes, micro and other projects, as well as external consultants or peers from other institutions, at the other.

Decisions regarding the appropriateness of one instrument over another should be taken collectively, among a donor community that is coordinated and engages in dialogue with domestic stakeholders.

Limiting cooperation instruments to one particular instrument is likely to prevent Democratic Ownership from emerging; it could even work against supporting diversity and the emergence of Democratic Ownership, including domestic accountability. A recently published GOVNET Secretariat background paper states that the relationship between different modalities and domestic accountability cannot be framed in terms of a "projects bad, new aid modalities good" dichotomy; well-designed projects don't need to undermine domestic accountability, under 'on-budget' principles, while budget support can also have a contradictory impact on domestic accountability by promoting greater donor involvement in core policy processes (OECD/DAC 2010: 11).

Most aid agencies are under considerable pressure to spend and spend more. However, **change processes do not usually consume large amounts of funds and pressures to disburse can easily undermine the dynamics of change.** The shift towards budget support and related programme-based approaches has also led to a reduction in small-scale funding mechanisms, yet these ought to be retained as part of the tool kit for supporting democratic ownership. **Thus it should be the problems and objectives that determine how support is provided to Democratic Ownership, rather than choosing one instrument as a preferred option above another.**

Making the case for small-scale project funding is obviously a delicate point, as it should not become an excuse for a proliferation of uncoordinated and donor-driven projects. While striving for simplification, on-budget operations and a rationalisation of relationships, a 'one-size-fits-all' approach also should be avoided. A starting point to address this issue is what domestic stakeholders see as priorities and will benefit the emergence of Democratic Ownership, as they believe it should happen.

3.2.4. Consider alternative approaches to monitoring and evaluation

If one accepts the principle that Democratic Ownership emerges out of interactions and relationships in multi-stakeholder contexts, then it becomes clear that the monitoring and evaluation (M&E) of such processes needs to be more broadly framed and treated. Two dimensions are considered here:

Firstly, **the fluidity and intangible nature of Democratic Ownership processes require a different look at how progress and performance are perceived.** In the case of policy formulation, progress can be understood in terms of the generation of concrete outputs, such as the production of a written comment on policy by a civil society association. But it can also be understood in terms of various process outcomes, for example, an increase in the informal personal interactions between government and civil society actors to exchange views and discuss policy matters; a more balanced representation of sub-regional civil society actors in policy events; or a qualitatively enhanced policy discourse between different stakeholders. Measuring progress and performance therefore requires a different understanding of results and a selection of indicators that can help to illustrate the extent to which change has taken place. These indicators need to be formulated in such a way that they gauge the quality and effectiveness of interactions and processes, as well as the changes in actor capacity through their engagement in Democratic Ownership processes. Watson (2006) summarised a number of M&E practices that maybe suitable for monitoring Democratic Ownership processes. Experience with the Most Significant Change (MSC) technique, one of several alternative approaches to M&E, for evaluating complex rural development as well as sector programmes, is summarised in Box 11.

Box 11: Application of the Most Significant Change technique, Bangladesh and Laos

The Most Significant Change (MSC) technique was first developed in Bangladesh for the evaluation of a complex rural development programme but has since been applied to various other sectors. The technique involves:

- MSC process managers identify broad domains of change they think are important, and which should be evaluated.
- Stories - brief descriptions of changes which observers deem to be most important in the last reporting period - are periodically collected from key stakeholders (including field staff, clients and beneficiaries). They are also asked to state why they think the change is so important.
- These stories are then analysed and filtered up through the levels of authority managing the

programme intervention. At each level specially formed committees review stories emerging from the levels below, and pass on the most significant story to the next level above.

- The criteria used to select the most significant stories are recorded, and are fed back to all stakeholders, so that successive rounds are informed by earlier selections and criteria.
- After several rounds - perhaps annually - the MSC stories selected by the uppermost level in each domain are documented, along with the reasons why they were chosen.
- This document is sent to programme funders, with a request that they select those that most fully reflect the outcomes they wish to support financially, along with the reasons for their selection.
- The written results are then fed back to all stakeholders.
- Visits may be made to the sites of reported change events, in order to check the veracity of the reporting, and to glean more information about particularly significant change events.

Thus the primary purpose of the MSC technique is to facilitate improvement of the programme by focusing the direction of work towards explicitly valued directions, and away from less-valued directions. The central aspect of the technique is not the stories themselves, but the discussions and dialogue surrounding the selection process.

Source: Watson (2006)

Secondly, given that the nature of supporting Democratic Ownership is non-linear and thus essentially a trial and error process, **this suggests that a learning-based approach needs to be an integral part of M&E.** Such approaches focus on providing knowledge feedback on what works and what doesn't. In essence, this learning should serve domestic stakeholders in a way that they can apply to strengthen their own change processes. Donors should assist collectively so that domestic stakeholders and external supporters can jointly make sense of this learning with a view to improving the quality of their support.

Such approaches can be enhanced by making them open and peer-based, whereby the horizontal interaction of stakeholders leads to a mutual review of progress - non-prescriptive mutual commentaries on what could be changed and a willingness to learn from this reflection and exchange. A Democratic Ownership support programme for decentralisation and local governance, for example, could adopt a benchmarking system that compares the progress made in establishing 'joint action' initiatives between municipalities and civil society organisations, across a number of districts in a developing country.

3.3. Adopt a Broad Strategic Perspective

Based on the processes of engagement discussed above, country stakeholders together with external partners, ought to be in a better position to identify strategic entry points for promoting democratic ownership. Three key dimensions of strategic entry points are considered below; *i) considering alternative ways to strengthen the contribution of civil society to Democratic Ownership; ii) the need to identify entry points that go beyond support to civil society; and iii) being aware of the risk of social engineering.* This is just a small selection of issues and is not intended to be a comprehensive overview of all possible ways of supporting Democratic Ownership.

3.3.1. Consider different ways to support civil society

While recognising the critical role civil society plays in enhancing Democratic Ownership, donors need to be realistic about what civil society actors can contribute, especially in complex and chaotic contexts. Overburdening civil society actors in supporting governance reforms, for example, can quickly result in disappointment.

Rather than insisting on civil society participation in macro policy processes, such as participation in budget monitoring, **in dialogue with governments, donors could instead focus on setting frameworks within which civil society can flourish and act**, such as, assuring civil rights and political liberties; transparency and accountability, including feedback and monitoring mechanisms in the public sector so that civil society can gain access to relevant information.

Perhaps **more useful is to provide opportunities for civil society actors to gradually develop up their own capacities**, alongside an emerging Democratic Ownership process. This could include providing capacity development support to civil society actors to engage according to their own agendas, rather than being pushed to assume roles and perform tasks defined by others.

A more flexible approach to funding could also be considered. Genuine organisations with a positive track record, for example, could receive partial core/institutional funding (some 25% to 45% could be considered) which would give them more operational space to engage pro-actively in policy processes while reducing pressures to accept project funding that might distract them from their organisation's own priorities.

Supporting Democratic Ownership is thus very much about laying the foundations of state-society relations, the 'software' that brings about a social contract between the state and the citizenry.

Multiple actors at various levels are needed to stimulate a web of interaction and to build pressure for change, as highlighted by the example of the Royal Jordanian Diving Society (Box 12). The driving forces for change are relationships, interaction and the energy produced by such action.

Box 12: Jordan Diving Club evolves into influential actor on coastal management

This case shows how through a gradual and organic process of capacity development, a Jordanian environmental NGO evolved from humble beginnings into an effective and respected institution with the capacity for research, advocacy, policy advice and community mobilisation. The Jordanian Royal Ecological Diving Society (JREDS) has built partnerships with various public agencies, and with other NGOs and community organisations, both nationally and regionally. Starting as a beneficiary of the Global Environmental Facility's (GEF) Small Grants Programme, it has broadened its funding base to assure financial sustainability and independence. This has all been achieved despite little tradition of civic participation in Jordan, or of questioning state and commercial interests on safeguarding the natural environment.

Source: Lopes and Theisohn (2003)

Investing in such social capital creation becomes particularly relevant in situations of disorder and extreme fragility where a society or a region has to start from scratch. This can have implications at two levels:

First of all, donors **need to take the 'cradle' seriously**, listen and rediscover local development dynamics (Hounkonnou 2001) and provide channels for small-scale support to processes that can create social capital, nurture relationships bottom-up and empower civil society. The recent focus on civil society involvement at the central level in a country, and the closing of funding lines for micro activities therefore needs to be reviewed, as has been suggested.

Secondly, it implies that **support to the emergence of Democratic Ownership should be linked not only to national development plans, or sector strategies, but also to recognising the need for space**

and local action to emerge in a more unstructured and unplanned evolutionary process. National development plans are important and provide an orientation towards different actors (government and NGOs) that engage in targeted change processes, such as the development of a social sector. But they often fail to address local initiatives in remote areas and at the neighbourhood and micro-level that take care of the 'cradle' and its gradual engagement in wider 'societal action'. The example of Lacor Hospital, however, illustrates that such support does make sense and can contribute to the growth of an anchor point for further development in an otherwise highly isolated and fragile environment (see box 13).

Box 13: Resilience and high performance amidst conflict, epidemics and extreme poverty – Lacor Hospital, Uganda

Lacor Hospital in the Gulu District of Northern Uganda, formerly an isolated Catholic Missionary hospital, is today fully integrated into the Ugandan health system, and is a leading provider of hospital-based health care in the country. A variety of factors have helped shape the hospital's capability to perform effectively in an environment of conflict, epidemics and extreme poverty.

The hospital grew through an evolving and endogenous process of capacity development that followed an implicit rather than explicit change strategy. While external support has been significant in terms of financial and technical resources, it has never been intrusive, nor has it led the process. The case highlights how the hospital nurtured a set of core capabilities that enabled it to learn to adapt to an ever-changing environment, to nurture and safeguard a set of core values and to maintain the highest levels of service delivery. Crucial to the entire process has been the progressive transfer of visionary leadership from the hospital's founders to a new generation of committed health workers, as well as a willingness to interact with the wider health care system.

Source: Hauck (2004)

Fragmented support, however, needs to be avoided. The Ghana Research and Advocacy Programme (G-RAP), summarised in Box 14, marks good practice. It is jointly financed by four donors and provides institutional funding to research and advocacy organisations. G-RAP is governed by a board comprising individuals from civil society, parliament and donors.

Box 14: Core funding for research and advocacy - The Ghana Research and Advocacy Programme

The Ghana Research and Advocacy Programme (G-RAP) provides grants to Ghana-based institutions that engage in pro-poor public policy research and advocacy. These include think tanks, development organisations and advocacy networks that can contribute to national policy dialogue with government, parliament, district assemblies, donors, and non-state actors. Specifically, G-RAP provides core grant support - as opposed to project support - to strengthen the capacity and funding base of these institutions, as well as their autonomy to conduct evidence-based research and advocacy that informs and monitors pro-poor policy processes and implementation.

G-RAP offers access to multi-annual core grants for organisations with an established track record of influencing public policy processes. The amount of a core grant is tailored to the needs and absorption capacity of each successful applicant, and can range from 25% to 40% of the institution's total annual budget per grant year. Core grants - sometimes called budget support - do not target specific projects or activities but are intended to support the general budgets of organisations. This means that core grants may also be used to finance overhead or investment costs. A characteristic of core grants is that they

provide beneficiary organisations with plenty of room to prioritise how the funds will be used. Furthermore, an institution receiving a core grant has to report to G-RAP twice a year on its entire financial activities (income and expenditure).

Source: www.g-rap.org/index.html

To promote civil society interaction with government, the latter should invite civil society organisations to technical discussions of a sector, or a wider reform programme, to obtain advice and to exchange views – a practice that is on the increase in sector working groups. Such interaction can lead to building trust in cooperation between state and civil society and gradually evolve into more political forms of engagement.

3.3.2. Supporting Democratic Ownership beyond civil society

Fostering Democratic Ownership as a way to build the foundations of state-society relations **requires more than simply focusing on civil society**. Although critical, civil society should not be considered the only entry point.

The conceptual understanding of Democratic Ownership set out in the previous section, encompasses the idea of stakeholders owning the development process in terms of financial and material wealth and how this wealth is accounted for and distributed. **Local economic development, taxation and other forms of local revenue collection are therefore areas of particular importance in stimulating Democratic Ownership.**

Through taxation, for instance, citizens are more likely to demand information on how public resources are used, they will be more motivated to engage in monitoring expenditure, influence future decision-making on the spending of public money and thereby contribute to the building of domestic accountability mechanisms that are the essential building blocks for shaping Democratic Ownership. This is highlighted by the example from Government Watch, a civil society initiative in the Philippines (see Box 15).

Box 15: The Philippines: civil society keeps an eye on public spending

G-Watch, or Government Watch, is a civil society initiative in the Philippines which monitors public sector expenditure. The group promotes transparency and citizen participation in governance, helping to hold government departments accountable. Involving a wide variety of stakeholders, such as policy research institutes, academia and international agencies, the project has spotlighted a number of cases of government profligacy, non-existent projects and poor management. Working with young university graduates, who photograph and research public projects, G-Watch then compares these results with government facts and figures, and discusses discrepancies with officials in open forums. The activities of G-Watch include establishing partnerships with government agencies for the purpose of the monitoring, direct transfer of tools and methods to citizen groups and communities, and the coordination of civil society monitoring initiatives. These stakeholders, i.e. government agencies, citizen groups and communities, are similarly considered the beneficiaries of G-Watch's activities.

Source: Lopes and Theisohn (2003)

The opportunity to work with different groups of stakeholders at different times to strengthen Democratic Ownership is therefore also important. This could include focusing support on core government institutions and systems, such as Revenue Authorities (see Box 16), while at the same time facilitating participation of the private sector, faith-based organisations or civil society associations in the change process as well.

Box 16: Developing capacity for tax administration – The Rwanda Revenue Authority

In November 1997, the Rwandan transitional parliament passed a law establishing the Rwanda Revenue Authority (RRA). Its establishment marked the beginning of a remarkable process of organisational development which has seen the transformation of the government's capacity to manage revenue collection.

This case highlights the contribution of both internal and external factors in driving and sustaining RRAs transformation. Leadership played a critical role in establishing a vision, driving the change process, and galvanising a shared sense of organisational purpose and loyalty among staff. 'Soft' capabilities emerged alongside the more familiar 'hard' capabilities critical to organisational performance in terms of learning, managing change and engaging with the external environment. Working in an iterative and pragmatic manner, external assistance played a key role in accompanying the change process.

The case also illustrates how investment in the change processes of key institutions can make a strategic contribution to broader processes of Democratic Ownership by building credibility, and the legitimacy of the tax system.

Source: Land (2004)

Adopting such a holistic approach to entry points, of course, risks opening the door to a proliferation of bilateral initiatives that can undermine the very principles of aid effectiveness. This calls for **a strategic perspective on the part of country partners and donors to work within a jointly agreed coordination mechanism**. This applies to both macro-level support, as in the case of the Joint Assistance Strategies that have been pioneered by a number of Anglophone African countries (Wohlgemuth and Saasa 2008), and to support to particular actor groups, as in the context of the joint consultation process in Tanzania between donors and CSOs (see Box 17 below).

Box 17: Tanzania - Enabling NSAs through joint funding approaches

In **Tanzania** a joint consultation process between donors and CSOs resulted in a common strategic framework in support of those CSOs working mainly in advocacy and engaged in policy processes. In this context, an intermediary support mechanism - the Tanzania Foundation for Civil Society - provides grants and capacity development support to CSOs. This has also enabled it:

- To establish common guidelines for support to civil society, drawn up by development partners in consultation with Tanzanian civil society.
- To create a website that contains a database on development partners' support to civil society in service delivery and advocacy work; information on this joint initiative and on development partners.
- To provide information on ongoing projects, grant/support facilities available to NSAs in a transparent and more coordinated manner.

Source: EC (2011)

3.3.3. Be Alert to risks of Social Engineering

The introduction of the new aid paradigm around the millennium, created openings in the international cooperation architecture to enable civil society to participate in policy formulation, decision-making, implementation and evaluation. Civil society participation in the formulation of Poverty Reduction Strategies even became a formal condition for debt-relief in Highly Indebted Poor Countries (HIPC). The rationale was that civil society could play a watchdog role, fostering downward accountability of the state and contributing

to pro-poor development effectiveness. However, as shown by various reviews, the results have been rather mixed (Eberlei 2007, and Lazarus 2008).

While donors are wary to be seen to be interfering in domestic political processes, the new aid architecture has become more political. How to interpret the results is open to discussion. Strong arguments have been made more recently that the involvement of donors has not been sufficient and that a more pro-active approach and greater political involvement in fostering governance and political change should be considered.

A more cautious approach, however, may be warranted. **Donors can certainly nudge and stimulate political change processes and outputs towards building Democratic Ownership but they should not push and certainly cannot write the script, nor control the outcome.** The support to partner countries takes place in a context where interest groups, the private sector, traditional leaders, other donor agencies and other country governments are competing for attention, some of them possibly with contradicting agendas that could even undermine the overall aim. The implications for external supporters of the Democratic Ownership precepts presented here are that the engagement should be meaningful and well-informed, but undertaken in such a way that it does not define the participation of civil society – which could lead to perceptions of social or even political engineering that, in the end, will have a negative impact on the role that civil society can play in national development processes. The lessons learned from Tanzania, Mozambique, Zambia, Ethiopia and Uganda, as revealed by a recent study and highlighted in Box 18, should be taken into account in this context.

Box 18: Mixed results in supporting governance through civil society

A recent study on supporting governance through civil society points out three possible reasons for such mixed results. Firstly, expectations of what civil society can do have been rather over-optimistic. Limited capacities, dissimilarity and dividedness, as well as difficulties in bringing groups beyond the centre into the policy dialogue constituted a major obstacle to making their involvement meaningful. Secondly, most societies in complex and chaotic contexts do not have a pluralistic society structure that encourages full competition on the basis of participation and different political ideas. The structure is more corporatist whereby certain groups are systematically favoured over others with the intention of maintaining stability. The principal sectors of society which then receive attention are: business, labour and government. Thirdly, the participation of civil society was set by donors as a condition on the assumption of government ownership of this concept, without careful monitoring. The cases from Tanzania, Mozambique, Zambia, Ethiopia and Uganda show that the donor push for civil society participation has led to governments placing more restrictions on civil society.

Source: Molenaers and Renard (2009)

4. In Conclusion

We have chosen to address the challenge of supporting Democratic Ownership from a broad and holistic perspective. We see support for democratic ownership as much more than multi-stakeholder participation in projects and programmes, and more fundamentally about enabling state and society to build up their respective capacities to act in a fair, inclusive and accountable manner.

The links between supporting Democratic Ownership, the capacity development discourse of recent years and the complexity thinking that has been introduced into international cooperation, offer a potentially helpful means of thinking about ways to foster Democratic Ownership.

One of the overriding propositions running through this paper is that support for Democratic Ownership should be approached from a capacity development perspective. This means adapting to context, getting behind partner ownership and leadership, working incrementally and flexibly, and engaging through different entry points.

Another point the paper has tried to emphasise is that support for Democratic Ownership is particularly challenging, requiring patience, a willingness to take risks and the need to maintain a large degree of humility. It is a realm where it is easy to do harm, and where getting behind partner-driven change is fundamental.

While the paper questions the pertinence of some elements of the aid effectiveness agenda, it also supports some of its key principles, in particular, the need for external partners to harmonise and align their assistance to partner-led strategies. Thus, while advocating a more eclectic and generally more multi-dimensional approach, thereby avoiding a 'one-size-fits-all' approach that can so easily quash spontaneity and creativity, the paper strongly urges collective action, among both donors as well as between donors and country partners.

This can be a difficult balance to maintain. Discovery, innovation, diversity and the need to provide relevant and responsive support across a complex and ever-changing arena to create space for a diversity of actors and processes to emerge, as part of the state building process, suggests the need to move away from highly planned, coordinated and top-down approaches. But this cannot be an excuse for a 'free-for-all' of uncoordinated initiatives that could all too easily become externally driven. Nor should it result in poorly articulated and poorly understood support initiatives that simply drift along. We have suggested the need to strike the right balance between planned and emergent approaches while keeping an eye on mutually agreed results.

There are other dilemmas to confront as well. The paper has suggested the need for greater field presence on the part of external partners, for greater knowledge and understanding of local processes, including the political economy, and for a greater investment in dialogue. This we have called a more relational approach. But at what stage do seemingly well-intentioned and carefully crafted support strategies aimed at improving responsiveness and relevance, end up being regarded as intrusive, interfering and meddling in the domestic kitchen?

What then are the entry points for supporting Democratic Ownership? The paper suggests a range of potential entry points. Particularly important are those that have the potential to strengthen domestic accountability processes, on both the demand and supply side, through reinforcement of feedback loops that can ensure and enhance state-society relationships and strengthen democratic processes as well as

development outcomes.¹¹ We also acknowledge the merits of providing a level of institutional support to legitimate civil society organisations that provide independence and the space to engage in policy processes, budget monitoring, or building alliances and networks for change across society. Finally, we recognise the value of other aspects of socio-economic development that play a critical role in promoting civic engagement in national development, including revenue generation and local economic development.

¹¹ As noted above, this paper does not focus on domestic accountability in any degree of detail as this topic is currently being widely discussed and researched, including in the context of Cluster 1 of the working party on aid effectiveness. Preliminary conclusions from that work stream are:

- Domestic accountability, legitimate governance and well-balanced state-society relations are crucial to good development outcomes.
- Donors do make a difference to the workings of domestic accountability in developing countries, including through the ways in which they provide aid.
- Donors have a responsibility and an interest in ensuring that aid strengthens rather than undermines domestic accountability. To do this, donors should provide aid through country systems and help to build the capacity of key organisations such as parliaments, the media and civil society organisations to exercise effective accountability over the use of aid and domestically-generated resources.
- Domestic accountability, however, is driven primarily by domestic politics. This has implications for what donors can effectively do to support the strengthening of domestic accountability.
- Rather than encouraging the adoption of particular models of governance, donors should seek to nurture the environment of transparency and accountability, out of which appropriate solutions to the challenges of development may emerge, led and owned by local stakeholders.

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