

# Lessons learned on the use of Power and Drivers of Change Analyses in development co- operation

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The views expressed in this report are those of the consultants.

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## Executive Summary

This review compares and contrasts different donor approaches to conducting Power and Drivers of Change (DOC) analysis, and looks at what is being done with the findings, in order to learn lessons for future work. It draws mainly on studies conducted in four countries – Bangladesh, Bolivia, Kenya, and Tanzania<sup>1</sup> – as basis for deriving findings and recommendations for this type of work.

Power and DOC analysis operates at the cutting edge of development. There is strong interest among donors, NGOs and research institutions in deepening understanding of the political and institutional factors that shape development outcomes. All donors are feeling their way on how to proceed. While there is no agreement on what conceptual framework to employ, a common framework may not be desirable since a variety of approaches may generate useful contrasts and insights. There are important commonalities, centred on the relationship between political factors, economic conditions, and institutions. But donors are employing different analytical lenses. Sida's approach tends to gravitate towards a focus on the links between human rights, democracy and poverty reduction<sup>2</sup>; the World Bank on the role of formal public institutions and informal practices within these; DFID on structural and institutional factors that support or impede poverty reduction; and the Netherlands Ministry of Foreign Affairs on state stability.

The review found that most of the Power and DOC studies were initiated by country offices, to assist with the design of country level strategies and programmes. For Sida and DFID, country offices have taken the lead, with varying back-up and guidance from headquarters. By contrast, the impetus for World Bank Institutional and Governance Reviews (IGRs), and for political analysis in Africa, has come from headquarters, and ownership by country offices has been more variable.

There are considerable differences in resources allocated to the studies, and how they were conducted. The World Bank studies were consistently well resourced and involved extensive field work. Some other studies depended primarily on literature reviews and knowledge of local consultants. These differences reflect the circumstances in which studies were undertaken, including time pressures, and were only partly related to scope and purpose.

There appears to be little consistent policy across and within donors on how to scope the studies, or how to link Power and DOC analysis to work on conflict, gender, social exclusion or human rights. This partly reflects different country

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<sup>1</sup> Countries were selected on the basis that at least three full members of the DAC Task Team on Power and Drivers of Change Analysis had undertaken a study there. On this basis it was not possible to include an agreed 'fragile state'.

<sup>2</sup> Some Sida power studies have focused on different issues. The Ethiopia study, for example, also focused on the economic dimension of power and its implications for economic development in that country.

office expectations and differing perspectives among professional groups over the focus of the studies. An exception is the World Bank IGRs, which have clear boundaries and some consistency of approach. Over ambitious or diffuse terms of reference have led to some reports of variable quality. But this has not necessarily impeded effective follow-up.

The studies have been used to promote internal learning rather than dialogue with external stakeholders. Practice on disseminating the studies varies between donors and countries. In one case a study was effectively embargoed by a local office; elsewhere studies have been translated into local languages and widely circulated. The most common practice is to make studies available to selected contacts without actively disseminating them.

The studies have mainly been used by those who commissioned them. The knowledge generated, as well as the overall conceptual approach, is becoming institutionalised. The studies have helped to structure existing knowledge, provided a shared language and understanding of the impact of political and institutional context, and stimulated thinking about processes of change. There is some evidence of positive impact on country strategies and programmes, especially at sector level, but their operational implications are often limited.

The studies are also beginning to influence donor policy, by emphasising the importance of political factors in shaping development outcomes, and in highlighting political and institutional issues in programme design across sectors. And yet tensions are emerging between corporate objectives and the implications of Power and DOC analysis, which emphasise the prime importance of local political process and incremental change, in the face of pressures on donors to meet short term spending targets, and to be accountable to their own taxpayers. Political economy analysis can contribute positively to improved aid effectiveness and relevance by highlighting the risks of alternative strategies and investments, and demonstrating how political considerations and a more incremental approach can improve implementation.

Power and DOC analysis is potentially challenging, because it questions fundamental assumptions about how development happens. It reinforces the need for harmonisation of donor approaches to be based on rigorous and honest debate about different perspectives. There are signs that this is already beginning to happen through active dissemination and jointly commissioned studies.

A number of key challenges and opportunities emerge from this review:

- Overcoming differences in understanding that are implicit in the different approaches being taken by donors: there is a major opportunity for constructive dialogue and joint learning, both among donors, and between donors and development partners through more active dissemination and engagement;
- Moving from high level analysis to operational strategies and programmes: closer attention to operational implications in the design of the studies and more explicit consideration of potential programmatic outcomes would strengthen their validity and usage;

- Reconciling tensions between longer term political processes and incremental change with short-term spending and accountability imperatives: demonstrating how such analysis contributes to improved aid effectiveness and harmonisation offers a potentially fruitful way forward.

## 1 Introduction

1. There is growing recognition among donors of the importance of understanding the social, cultural, political and institutional context, and its impact on development. The need for this has been reinforced by the shift towards increased country ownership and recent changes in aid modalities, including the Poverty Reduction Strategy process, and the move from project to sector and budget support. A variety of approaches to political analysis are being developed, reflecting the different perceptions and operational concerns of different donors.
2. The Network on Governance (GOVNET) under the OECD-DAC has established a 'Power and Drivers of Change Analysis Task Team' to review these approaches. In order to do this, GOVNET contracted a team of consultants from COWI (Denmark) and the IDS (Sussex, UK).<sup>3</sup>
3. The purpose of the consultants' review is to identify lessons learned in conducting different kinds of social, cultural, political and institutional analysis. While a variety of study approaches have been developed, for the purpose of this review the term *power and drivers of change analysis* (Power and DOC) will be used to cover them all. Specifically, the review aims to compare and contrast different donors' approaches to power and DOC analysis with a view to identifying similarities and differences in focus and approach, and how the findings are being used.
4. The team of international consultants were given a total of 54 working days over the period May-September 2005 to undertake the review of lessons learned on the use of Power and DOC analyses in development co-operation.<sup>4</sup> The review comprised a review of 12 studies at various stages of completion in four countries – Kenya, Bangladesh, Bolivia and Tanzania<sup>5</sup> – as well as general

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<sup>3</sup> Tom Dahl-Østergaard (COWI, team leader), Rikke Ingrid Jensen (COWI), Sue Unsworth (IDS) and Mark Robinson (IDS).

<sup>4</sup> Budgetary provisions also permitted contracting an IDS-based research assistant (Tom Streather) and one local consultant in the field work countries, each providing around 5 days of work. The Team wishes to thank everyone who helped to make this review possible.

<sup>5</sup> Countries were selected on the basis that at least three full members of the DAC Task Team on Power and Drivers of Change Analysis had undertaken a study there. On this basis it was not possible to include an agreed 'fragile state'.

reports on donor approaches and guidelines.<sup>6</sup> Five days of field studies were undertaken in each of the first three countries mentioned above. In each country a standardised framework for data collection guided the work, which included document review, interviews and focus group meetings. Tanzania was covered only through telephone interviews and Headquarter (HQ) interviews in London and Stockholm. Annex 2 contains a list of persons consulted. The review focused on DFID, Sida and the World Bank due to the existence of documents produced by these agencies, and to a lesser extent on Norad<sup>7</sup> and the Netherlands Ministry of Foreign Affairs<sup>8</sup> owing to the scarcity of documents from these. Annex 3 contains a list of documents reviewed.

5. This review covers only a small number of countries; some of the Power and DOC studies reviewed are incomplete; and some are more narrowly focused (for example the DFID study of political parties in Bolivia and the Sida study of local governance in two districts of Bangladesh). Moreover the different approaches are still evolving: the early World Bank studies, for instance, focus on state institutions while the later ones address more overtly political concerns. Given the challenges of making a comparative assessment of the different approaches and documents under review, and the limitations imposed by the small number of countries and studies covered, the Team would urge some caution in drawing generalised conclusions on the basis of their findings. At the same time, the Team draws on the wider experience of its members in conducting similar assessments in other countries to broaden the validity of the findings.

6. Finally, the Terms of Reference spell out a large number of detailed questions for investigation (see Annex 1); these were dealt with systematically in the country studies and inform the structure and coverage of this review.

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<sup>6</sup> Annex 3 contains a list of the key documents used.

<sup>7</sup> In the sample for this consultancy, Norad provided two short governance reports on Bangladesh and Tanzania (prepared in 2002-2003) as well as an instruction from the Ministry of Foreign Affairs on how the Norwegian embassies should prepare these reports. The reports are neither power nor DOC studies as such, but regular embassy reporting to the Ministry following a pre-defined format comprising seven dimensions of governance. The reports were internal Norad /MFA documents.

<sup>8</sup> The Netherlands Ministry of Foreign Affairs did not undertake any studies as such in the sample of countries included in this report. They only held a two-day workshop in Nairobi in October 2003 which was designed to help make the case for re-starting government-to-government aid to Kenya.



## 2 Different donors' approaches

7. This section presents an overview of the different donor approaches to Power and DOC analysis.

8. All donors are feeling their way on how best to proceed. It partly reflects the fact that this work is at the cutting edge of development co-operation. There is no broad agreement on how development takes place, which the critical variables are, and therefore what conceptual framework to employ in conducting this kind of analysis. Moreover, introducing an explicit political dimension has been sensitive (in some cases contentious), so approaches have had to be negotiated, both within agencies and with external stakeholders. It is therefore unsurprising that there is as yet no common approach among donors and indeed different perspectives within individual agencies – between country offices, professional groups, and staff in various locations.

9. There are also some important commonalities. All the studies recognise that the policy environment is shaped by political, economic, social, cultural and institutional factors. They seek to move beyond a description of symptoms, and to understand the underlying causes of poor governance and lack of 'political will' for sustained change, in order to improve the effectiveness of donor interventions. The studies share a common core of political economy analysis by linking features of politics and power to underlying economic issues. But they employ very different analytical lenses.

10. Each donor agency has a uniquely defined mandate and overall approach to development co-operation that reflect the underlying values and aspirations of its constituency as well as the history of the agency. These differences are echoed to some extent in their approaches to Power and DOC analysis (see Annex 4). At the risk of over-simplification, Sida's approach tends to gravitate towards the links between human rights, democracy and poverty reduction through analysis of informal and formal power actors, structures and relations (though power studies have varied in their focus)<sup>9</sup>; the World Bank on the role of formal state institutions in policymaking; and DFID on poverty reduction, and the interplay of economic, social and political factors that support or impede it. The Netherlands Ministry of Foreign Affairs's approach is still evol-

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<sup>9</sup> 'Human rights provide a normative framework for fighting poverty, while democracy tends to be the best way to organise political life to do so' (Terms of reference for review of power in Kenya)

ing, but it has made use of a 'stability framework' developed by the Netherlands Institute of International Relations (Clingendael) to conduct basic country level analysis. Norad's *Rapport om Styresett*<sup>10</sup> are internal embassy reporting to the Norwegian MFA. The two governance reports from 2002-2003 are largely descriptive, but Norad is about to develop a methodology for future governance studies.

11. All donors are involved in piloting approaches, but in different ways, reflecting organisational differences. DFID is highly decentralised: following some initial theoretical work<sup>11</sup>, the lead on DOC studies was taken by individual country offices, with the support of the then Secretary of State, Clare Short. The first DOC study (Bangladesh, June 2002) was led by the country office in Dhaka, with very little involvement from HQ. In June 2003, a dedicated DOC team was established within the Policy Division. Their approach was to support and facilitate country led work, rather than to prescribe a particular methodology. They offered 'hands-on' support (e.g. with redrafting the Kenya study, and with designing approaches to the Tanzania study). They also prepared a series of internal guidance notes as well as a public information note<sup>12</sup>, which offer ways of thinking about DOC and approaches to analysis, though without a fully developed conceptual framework. The DFID team was closed down in September 2004, because there was judged to be sufficient momentum to sustain the DOC approach at the operational level. Provision was made for a much smaller input to DOC from another DFID policy team. To date over 20 DFID country offices have engaged with the DOC approach, of which 15 have produced discrete study reports and a greater number of sub-studies; another 4-5 countries are considering undertaking studies.

12. Sida has taken a process approach to power analysis, based on dialogue between the HQ and country offices. One point of departure was an evaluation of Sida support to Ethiopia 1996-2001, which revealed that little progress had been made in terms of food security and poverty reduction, despite the assistance received. It was recognised that power structures in Ethiopia were poorly understood and needed further analysis. In parallel with this, Sida HQ had undertaken some methodological work on political institutions that led to the realisation that it was no longer sufficient to focus exclusively on formal institutions. Consequently, the *Structures and Relations of Power in Ethiopia* (published in 2003) was done and became Sida's first power analysis. Since then a further seven studies have been undertaken,

13. The World Bank's *Institutional and Governance Reviews* (IGRs) were initiated in 1999, and grew out of the Bank's continuous effort to redefine its strategic approach to economic reform from one that has focused mainly on macro-economics to one that emphasizes the institutional roots of weak government performance. IGRs analyse the reasons for performance failures and the feasibility of reform, taking account of political realities and constraints. They explicitly seek to adopt a consistent approach to performance assessment. More

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<sup>10</sup> These documents were only available in Norwegian..

<sup>11</sup> 'Understanding Pro-poor Change', Sue Unsworth, July 2001

<sup>12</sup> We understand these are now being updated.

recently, the Public Sector Governance Group for Africa has piloted more explicit political economy analysis in Kenya, Tanzania and Uganda.

14. These approaches are still evolving. Sida is actively involved in lesson learning, with a view to developing a methodological framework for future studies. An internal note based on a review of the early studies identifies the need to pay more attention to the ‘constructive power’ of the state; to consider the impact of aid on local power relationships; and to make more explicit the linkages between power, poverty and human rights. DFID thinking has also evolved – for example the Bangladesh DOC study focused on actors and agency, whereas the current public information note (September 2004) also emphasises structures and institutions which shape capacity and incentives for political actors.<sup>13</sup>

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<sup>13</sup> Other donors (not covered by this review) are paying increasing attention to the main issues addressed in the Power and DOC analyses, and they are at various stages of considering how to approach and use this kind of analysis.

## 3 Study design and methods

### 3.1 Who initiated the studies, and why

15. Most of the studies were initiated by country offices, with a direct operational purpose. In the case of Kenya, all four studies (DFID, Sida, the World Bank and the Netherlands Ministry of Foreign Affairs) were prompted by the need to revise country strategies in the light of the December 2002 elections. In Bolivia, the DFID and Sida studies were both linked to the political crisis of October 2003. In Bangladesh, the World Bank and DFID studies reflected long-standing concerns among the local donor group about the intractability of governance problems, and the failure of traditional reform approaches to make much impact. The DFID study was also directly related to developing a new Country Assistance Plan. In Tanzania, DFID's study on accountability<sup>14</sup> and Sida's power analysis were initiated by the country offices. The latter was designed to contribute to the new country strategy, attempting to understand *inter alia* the 'reality' behind the official party line and explore 'powerlessness' as a poverty factor. In the context of the elections later this year (October 2005), the World Bank office in Dar es Salaam commissioned a stand-alone type of study (*Political Economy Study of Tanzania*). The World Bank report from 2000<sup>15</sup> was closely linked to the Bank's preparation of a project in the area of accountability, but it was not conceived as an IGR.

16. However, as reflected in section 2 above, the IGRs for Bangladesh and Bolivia also served the broader institutional objective of deepening the World Bank's understanding of the causes of weak public sector performance, and collecting data for developing a global approach to its support for institutional reform. The Kenya study was part of a wider initiative by the Bank to pilot new approaches to political analysis in Africa. Although the Bangladesh study was clearly country led, the impetus for the Bolivia and Kenya studies seems to have come from Bank headquarters. In Kenya the Country Director was involved in designing the terms of reference, and the country office paid for the study; but the Nairobi office appears to have had little ownership or interest in the final product (see below). The selection of Bolivia as an early pilot for the IGR approach was made by the task manager in Washington D.C.

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<sup>14</sup> The draft of this DOC is not yet finalised and hence was not made available to the Team.

<sup>15</sup> Entitled "Increasing Public Sector Accountability and Transparency in Tanzania: An Assessment of the Political Context of Economic Reform."

17. The team found very little evidence that Power and DOC analyses have been directly used as a basis for dialogue with government, nor do they appear to have been designed with this in mind. They are, however, indirectly informing donor expectations and approaches (see section 5 below). In Bangladesh DFID translated its DOC report into Bengali and disseminated it widely, yet its primary purpose was to enhance the understanding of DFID's own staff. There seems to have been some reticence within the Bangladesh government about the Bank's IGR, with an indication that the final version was watered down in response to adverse reaction from government

### 3.2 How the studies were conducted and resourced

18. There are considerable differences in the resources allocated to the studies, and how they were conducted. This is largely the product of the particular circumstances in which they were initiated, and is only partly related to their scope and purpose.

19. In **Kenya**, the DFID and Sida studies were conducted under considerable time pressure, and had to be completed within a couple of months. They were led by local consultants, consisted mainly of a literature review, and involved only limited consultation with civil society, business, academics and other donors. The Sida study was validated in a one day 'expert' workshop. The Netherlands Ministry of Foreign Affairs exercise was a two day participatory workshop, rather than a study as such.

20. By contrast the World Bank study in Kenya was initiated well in advance of the 2002 elections, involved a team of international and local consultants, and consultations with over 70 people including donors, civil society, business, trade unions, professional groups, politicians, journalists and civil servants.

21. The DFID and Bank studies in **Bangladesh** were intensive exercises, involving significant staff time and resources, with a respective duration of 15 months and four years from inception to publication and dissemination. The DFID study was led by a team of consultants largely based in the UK, while the Bank study was led by the outgoing Country Director. Both studies entailed extensive consultation with key stakeholders in the donor community, private sector and civil society, mostly in Dhaka. The Sida study (focused on two districts) involved both a literature review and intensive one month field work, which comprised semi-structured and focus group interviews in several villages and the construction of case studies to identify possible 'drivers of change'.

22. In **Tanzania**, the World Bank's 2000 study (which was not an IGR) was done over a 3 week period, with a team of three led by a U.S. political scientist. The Bank's 2005 study on political economy was conducted by a local consultant with a limited budget (US\$30,000). In contrast, DFID's DOC focused on accountability, had a large budget of £200,000 and a protracted period of implementation. Sida's power analyses<sup>16</sup> were done by one Swedish consultant

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<sup>16</sup> A series of three reports; see below, Section 3.3.

(not a team).

23. The Bank appears to have a fairly consistent approach to resource allocation, and the studies reviewed all involved extensive field work (in **Bolivia**, for example, more than 700 government officials at different levels were consulted). For other donors there is considerable variation in the resources allocated for Power and DOC analysis. No very clear pattern or rationale for this emerges, other than time pressure and budget constraints.

24. There is also considerable variation in approach. The DFID study in Bolivia, which was narrowly focused on political parties as well as being prepared under time pressure, nevertheless involved consultation with a broad range of stakeholders; its relatively small budget (£35,000) may reflect use of predominantly local consultants. The Sida study of two districts in Bangladesh involved detailed fieldwork and consultations, while the much broader power analysis planned for Bolivia will be mainly a desk study. Validation of the findings by external stakeholders was done by the World Bank and DFID only in Bangladesh (though DFID also plans this for its nearly finished DOC on Tanzania). Sida appears to have engaged most consistently in this kind of data validation, having done this in both Kenya and Bangladesh.

25. Most surprising is the fact that there seems to be little relation between the time and resources allocated, and the scope of the studies. This is explored below.

### **3.3 Scope of the studies**

26. There are big variations in the scope and design of the studies. For example the Sida and DFID studies of Kenya are quite broad, despite the limited time and resources allocated to them. The Sida study covers conflict and gender issues; the DFID terms of reference cover a broad range of economic, social and political factors relating to poverty and growth. The planned Sida study of Bolivia is also ambitious, covering conflict, perceptions of the poor, indigenous people, human rights and gender.

27. In the case of Kenya, the broad but somewhat diffuse terms of reference led to problems for both DFID and Sida with the initial reports, which required extensive re-writing. Both country offices have reservations about the quality of the end product. However, this had not stopped both studies from having a significant impact (see below), and they have clearly contributed to the formulation of DFID's CAP and Sida's country strategy.

28. Some studies are part of a broader sequence – for example the Bangladesh DOC study was complementary to other work, including four studies of different dimensions of the political process – so the DOC study intentionally excluded these issues. Some studies are narrowly focused – the DFID study of political parties in Bolivia, the Sida study of local government in Bangladesh, and the DFID and World Bank studies in Tanzania are examples.

29. In the case of Tanzania, the Swedish consultant recruited by the Sida country office has produced a series of three reports: two power analyses (May 2004 and February 2005) and a document entitled *Monitoring Power for Development Policy Analysis* (May 2005), which aimed to develop a monitoring and evaluation instrument as a tool to provide continuously updated information on power issues.

30. In general, we found no evidence of a clear policy steer on the scope or sequencing of studies (though Sida has recognised ambitious but diffuse terms of reference as a potential problem); nor does there seem to be any consistent practice about linking DOC or power analysis with other studies on gender, conflict, social exclusion or human rights. This no doubt reflects the decision to leave much of the running to country offices. The Netherlands work in Kenya (though only a two-day workshop) employed an explicit analytical framework at the country level (the 'stability framework') previously developed by an institute in the Netherlands, Sida's power analyses reflect a rights based approach, and DFID's DOC studies increasingly employ a broad framework of structures, institutions and agents. The DOC studies for Kenya and Bangladesh explicitly consider the role of donors as drivers of change; other studies do not.

31. The World Bank studies have the clearest boundaries, with IGRs specifically focused on public institutions and prospects for reform (including, for example in the case of Bangladesh and Bolivia, formal and informal incentives that drive the behaviour of public officials). The political analysis of Kenya looks at structural issues as well as the history of institutions to explore how the political system works, and its implications for a range of development issues.

32. Finally, and somewhat surprisingly, some studies did not specifically ask for operational recommendations, and this was a source of dissatisfaction in some parts of the donor agencies commissioning the studies when the final reports were produced.

## 4 Study usage

33. This section explores how the Power and DOC analyses have been disseminated, used and publicised by donor agencies, along with efforts to institutionalise their findings.

### 4.1 Dissemination

34. Who uses a document clearly depends in part on who has access to it. Practice on this varies between donors and between countries. For instance, the Kenya IGR received only limited circulation within the World Bank Nairobi office, and none outside (Sida and DFID staff in Nairobi were unaware of its existence). The DOC study of political parties in Bolivia was labelled "not for public distribution", as it was conceived as an internal document for the use of DFID and the international donor agencies only. On the other hand, the Bank and DFID studies were published in Bangladesh, and are quite widely known within the aid and diplomatic communities. A summary and Bengali version of the DFID study was produced and widely circulated. Though not primarily intended as a dialogue tool, the studies have to some extent informed policy dialogue with government, and other donors have also drawn on them.

35. But the most common practice seems to lie somewhere in between these two extremes. The World Bank study in Bolivia was published but not widely disseminated, and the Spanish translation was not posted on the Bank's website, thus significantly restricting access. Similarly the Sida and DFID studies in Kenya have been made available to key contacts in government and civil society, as well as circulating freely within the aid and diplomatic communities, but have not been actively disseminated. Some donors seem very comfortable with this approach, but there has been active discussion within the World Bank about how to handle the newer, more 'political' studies. One view from the Public Sector Governance group is that the studies should not be seen as a formal Bank product, but as a learning tool for staff; the Bank should not be too sensitive about the reports leaking, but should not actively disseminate them. Others (including some staff in the Nairobi office) are uncomfortable about having a report that they feel unable to share freely with government. Clearly the Bank has particular concerns about how its engagement in overtly political work will be viewed, given its mandate. But the sensitivities also vary from country to country, and according to political events. Decisions about publica-



tion and dissemination of DFID DOC studies have therefore been led by country offices, in consultation with Foreign Office colleagues.

## 4.2 Who has used the studies?

36. Broadly speaking, and unsurprisingly, the studies are primarily being used by those directly involved in commissioning them. In the case of Sida this includes staff in country offices and embassies, and the Division for Democratic Governance at headquarters, which has been closely engaged in drawing up terms of reference, and is planning some central guidance.

37. Similarly, the IGRs have been principally used by the World Bank's Public Sector Management group in Washington D.C., and in-country Bank officials involved with the institutional reform programmes supported by the World Bank. The extent to which the studies are known and making an impact outside of this circle varies from one country to another, as seen above. The negative reaction of the World Bank Nairobi office to the political study of Kenya seems in part to reflect the limited involvement of senior staff in its preparation.

38. Within DFID the main users of DOC studies are, once again, the country offices which commissioned them, and the headquarters team in policy division directly responsible for the DOC initiative. Within other parts of HQ, including staff in regional and policy departments, there is much less familiarity with individual DOC studies (though the concept is well known – see below). The Bangladesh study was more widely known than most (it was strongly endorsed by DFID's then Secretary of State - Clare Short, and was seen at the time as a model for DOC studies elsewhere). Some Foreign Office staff have been quite actively engaged with DOC studies – for instance in Bangladesh; elsewhere there has been less impact, notably in Bolivia.

39. In the case of DFID, there is a separate, fuller report which looks at the uptake of DOC work in thirteen countries.<sup>17</sup> DFID has also conducted studies to shed light on the internal incentives to support DOC. Both of these studies point to a tension between corporate incentives to spend more and pursue interventions in direct support of the Millennium Development Goals, versus DOC analysis which emphasises local political process and longer timescales which, in turn, might imply reduced aid absorption capacity in the short run.<sup>18</sup> This concern is widely shared among donors, especially at country level, and is discussed further under section 5 below.

## 4.3 Institutionalisation of studies and approach

40. The question is both whether the knowledge generated by these studies has become 'institutionalised' within embassies and country offices, and how

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<sup>17</sup> Nigel Thornton and Marcus Cox, 'Review of the Uptake of the Drivers of Change Approach', Agulhas Development Consultants, June 2005.

<sup>18</sup> The incentives to spend have been strengthened by the Commission for Africa report, and the British Prime Minister's lead in the G8 to double aid to Africa.

widely the approach to power analysis and DOC is understood and accepted.

41. Despite high staff turnover, the studies and overall approach are widely known and are influencing programming in both DFID and Sida offices in Nairobi (for more on impact, see below). The Netherlands Ministry of Foreign Affairs's workshop in Kenya, though only a two day event, seems to have served a similar purpose within the Royal Netherlands Embassy. At the DFID office in Nairobi, there have been specific attempts to 'institutionalise' the DOC approach, for instance by giving one adviser a 'challenge function' to help colleagues to think about the impact of the political context on their sector programmes.

42. In Bangladesh, the DFID and Bank studies are also well known by staff in their respective offices, although given the passage of time since the Bank study was completed, institutional memory of its contents has weakened – and policy has since evolved. The studies have not been updated since their completion in 2002 but the sector studies commissioned for the review are still a reference point for programming. The IGR for Bolivia seems not to be well known among the present staff there (no doubt partly explained by the passage of time, and the IGR's relatively narrow focus on public sector reform issues).

43. One indicator of the extent to which DOC has become institutionalised within DFID is the fact that it has become routine to conduct a DOC analysis as part of the country planning process, in spite of the fact that there is no formal requirement to do this.

#### **4.4 Media exposure**

44. None of the studies assessed in Bolivia and Kenya were covered in the local media (although the Sida power analysis contributed to a review of how the media dealt with inequality). As the two studies in Tanzania were not finalised they have not yet been subject to media exposure. One exception to this is the World Bank's IGR in Bangladesh, which had wide coverage in the media. The general picture, however, reflects the overall purpose of the Power and DOC analyses and the inward donor agency orientation of these studies.

## 5 Changes triggered and impact

45. There is increasing recognition among donors of the need for better political and institutional analysis to inform development strategies and programmes. But there is also scepticism and uncertainty about how far it can contribute directly to operational work. Some of the studies (for example the World Bank study on Kenya) are better at explaining why traditional donor interventions (to reform the public service, or tackle corruption) have not worked very well, than they are at offering concrete alternatives. Others contain high level recommendations which can be hard to translate into action.<sup>19</sup>

46. Despite these challenges, and the limitations imposed by the small number of countries covered, we find that the Power and DOC analyses are making a difference, in terms of understanding, approaches and programming. There are still significant constraints, and some tensions arising within and between donor agencies, as the full implications of the analysis become apparent. However, there are also important opportunities, not least in relation to the harmonisation agenda.

### 5.1 Changes in donor thinking about power relations and pro-poor change

47. Almost all donors emphasised that, although the analysis had not told them anything very new, it had served to structure their thinking, to make implicit knowledge explicit, to give them a shared language and basis for discussion of the political and institutional context and its impact on development, and to legitimise this discourse. The striking exception was the World Bank office in Nairobi, where the study was largely ignored on the grounds that it said nothing new and provided no operationally useful guidance.

48. In **Bangladesh**, the primary contribution of the studies within DFID and the World Bank was to deepen understanding of the influence of political and institutional issues on development outcomes. Within the Bank, the analysis helped staff to recognise the importance of governance issues across all sector programmes (although some staff were more receptive than others), and staff were actively involved in the preparation of case studies and background mate-

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<sup>19</sup> For example Sida's Kenya analysis advocates a long term approach, starting with the country context, focusing on process and institutionalisation, and on knowledge development and local capacity.

rials. However, as the focus of the study was on state institutions, it had limited impact, not touching, for example, on social development perspectives. Within DFID, there has been more sustained attention given to the political process, and to how politics can impede development; and more recognition of the importance of the private sector as a potential driver of change. Other donors felt that the DFID and Bank studies had deepened their knowledge and understanding of the complexities of governance in Bangladesh. Informants outside donor agencies saw donors as taking governance issues more seriously, but expressed doubts about how far ‘champions’ of reform could be influential in the absence of wider societal change, and were also sceptical about the scope for effecting improvements in state capacity.

49. In **Kenya**, the studies have changed understanding of how to approach poverty reduction, but only up to a point. The studies themselves reflect existing biases: for example, the decision by the Netherlands to employ a ‘stability framework’<sup>20</sup> for their analysis reflects their growing preoccupation with the link between security and development. Within Sida, the power analysis study was seen as largely validating the existing rights based approach. But there is a growing debate within the Nairobi Sida office about the need to revisit the importance of growth for poverty reduction and governance, and the need to give more attention to the role of the state (including the importance of state effectiveness as well as accountability and capacity to fulfil human rights obligations). Within DFID Kenya, the DOC study has prompted more systematic thinking about processes of change, including at a sector level (see below), and has highlighted the risks to development of patronage as the basis of accountability in politics and business. DOC and power analysis work has clearly influenced a recent joint donor study (including USAID, Sida, DFID and the Netherlands) that looks into anti-corruption activities.<sup>21</sup>

50. In **Bolivia**, the DFID study highlighted how the political system has created sustained disincentives for political parties to engage in the development of pro-poor policies, and how informal structures govern political and economic life in favour of the elite minority, excluding the indigenous majority, and leading to polarisation and a cycle of conflict. It argues that the political system itself will need to be reformed before poverty-reduction efforts can be successful. The World Bank IGR, by contrast, is focused on the reform of formal institutions, and in the view of some observers neglects the ethnic dimension, including the values and interests of the indigenous majority. But it does

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<sup>20</sup> The Dutch Stability Assessment Framework was developed by ‘Clingendael’, the Netherlands Institute of International Relations. The Netherlands Ministry of Foreign Affairs uses additional types of analyses, which include elements of “Drivers of Change” studies, for example multi-annual strategic planning exercises (resulting in four year strategic plans). The latter, which include trends and actor analyses, have been implemented in all Dutch partner countries over the last three years. The Ministry has also contributed to other institutional analyses and instruments that address political economy issues.

<sup>21</sup> For example, it emphasises that the impetus for reform must be home-grown and home owned; and points to the limitations of ‘bureaucratic’ approaches to tackling corruption. It has the potential to assist in the framing of a common position among donors on the difficult political issues of corruption and patronage politics in Kenya.

highlight the need for more attention to the underlying incentives for public service reform and improved financial management, and the deficiencies of approaches based just on technical aspects of information systems or capacity building. It emphasises the deep structural causes of 'informality', and the need to generate social and political consensus for reform. While the IGR did not reveal new information to informed observers, it provided a well-structured review of political economy issues, and ensured that the political dimension was put on the table. The Sida study is still at the stage of developing terms of reference, so it is too soon to talk about impact.

## 5.2 Changes in country assistance plans and programmes

51. The Power and DOC analyses have led to changes in country plans and programmes, but only up to a point.

52. In **Bangladesh**, the DFID study had an impact on the design of a new Country Assistance Plan (CAP). Governance was selected as one of three central priorities. The risk analysis draws explicitly on the DOC study. The CAP adopted the DOC study's recommendation that DFID should engage more directly with the political process, and with a wider range of potential change agents, including think tanks, the media, and the private sector. This was followed through at the level of sector programmes – for example a project to help make the regulatory environment more conducive to private investment was clearly influenced by the DOC approach. More recently, DOC analysis is informing the design of a major new facility to provide resources to the Ministry of Finance, to support a demand led programme to reduce 'leakage' and improve services. The World Bank CAS was also influenced by the IGR. It recognises that accelerating and broadening growth depends on mustering political will to overcome vested interests blocking reform, and gives prominence to governance and institutional factors. Sector programmes are giving more explicit attention to issues of corruption and institutional reform – for example in the energy sector. The Sida study, undertaken as part of a strategic assessment of the Local Governance and Production programme, was partly responsible for a decision not to extend the programme, in recognition of the way local power structures were impeding implementation. However, the study does open up the possibility of alternative approaches: in place of traditional interventions that seek to by-pass elites or directly challenge elite 'capture', it suggests that there may be more room for manoeuvre and scope for negotiating around pro-poor interests and outcomes than is often supposed.

53. In **Kenya**, the timing of all four studies was directly linked to the election of a new government in December 2002, and consequent revisions of country strategies and programmes. The World Bank IGR, though in many ways the most thorough and scholarly study, had no direct impact (World Bank staff in Nairobi claim that sector work was already well informed by a political economy perspective). The DFID study did have an impact on the Country Assistance Plan (CAP), in spite of being available only shortly before it was finalised. The CAP identifies as a major risk the fact that patronage is the basis of

politics and business, and assesses DFID's ability to influence this as 'low'. However, this realism is not reflected in other sections of the CAP, which contain ambitious objectives for improving governance (for example strengthening policy, planning and budget allocation processes to ensure that public resources are used effectively). The DOC study directly influenced a decision not to support a comprehensive civil service reform programme, on the grounds that political commitment from the Kenyan government was lacking. The study also influenced a decision to take a more incremental approach to moving from sector programmes to general budget support, on the grounds of both fiduciary and political risk. On a more positive note, the DOC study has directly influenced sector studies which look at the political economy factors shaping the policy environment for agriculture and private investment; it has also stimulated support for the Kenya Revenue Authority.

54. There is little evidence that the Sida power analysis in Kenya influenced the 2004-2008 country strategy, which is stronger on a description of problems than on analysis of underlying causes, even though structural issues were addressed to some extent. But it is informing interventions at a sector level through the 'Maniac' programme, which is mainstreaming a broad rights based approach (equality in dignity and rights, participation, openness, transparency and accountability), though in a less normative way than previously, and takes more account of local realities and perspectives. The DFID DOC work is also stimulating Sida thinking about how efforts to empower stakeholders might feed through into pressure for political change (from 'clients to citizens'). The power analysis has also influenced the 'Rich and Poor' project, an attempt to stimulate more public dialogue about inequality in Kenya. Finally, the Netherlands workshop contributed to a decision to resume government to government aid to Kenya, and influenced thinking about priorities, including an emphasis on governance, and on the importance of Kenya's regional role.

55. In **Bolivia**, the focus of the World Bank IGR coincided to a large extent with the scope of the Institutional Reform Programme (PRI) spearheaded by the Bank. Its impact is largely to be found in the implementation of that programme, rather than the World Bank country assistance strategy more broadly. The IGR had limited impact on the PRI, however, partly because it was undertaken too late to affect the basic PRI design. And whatever impact the IGR did have was coincidental (the person responsible for the support to the PRI at the Bank office in La Paz was appointed Deputy Director of the PRI shortly after it was launched).<sup>22</sup> Some observers felt that the PRI had only addressed the symptoms of the problem, not the root cause - namely the political culture. And that issue, ironically, was one of the main points raised in the IGR. It remains an open question whether the PRI would have succeeded better if the IGR study had been conducted first and had highlighted the causes of the problem (patronage and political culture). Equally, one might ask why the PRI, which was implemented over several years, was not revised in light of the IGR. At any rate, World Bank staff in La Paz claim that the IGR informs policy dialogue with government. The DFID study has had a limited impact at country level,

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<sup>22</sup> Having been in the World Bank office in La Paz at the time of the implementation of the IGR, he was quite familiar with this and brought the knowledge with him to the PRI.

since it coincided with a decision to cut funds and staffing at the country level. The focus on political parties and their importance for development outcomes has instead fed into the preparation of a DFID regional programme for Latin America (including a basket fund for strengthening political parties).

56. In **Tanzania**, it is too early to say what influence the DFID and World Bank studies (still only in drafts, and not available to the Team) might have on country plans and programmes. Sida has recently revised its guidelines for the country programming process, so it is not clear how the recently completed power studies will feed into the process.

### **5.3 Changes in overall donor policy and approaches**

57. Sida headquarters sees itself as somewhat constrained in following through on the broader implications of power analysis work by an absence of political mandate: it is an independent government agency, with certain policy making functions relating to the development sphere. So Sida has proceeded with caution, piloting approaches at a country level as a prelude to developing more corporate guidance for conducting power analysis. It is as yet unclear how far this might entail asking questions that could prompt broader policy change (for example by raising fundamental questions about the causal links between democracy, human rights and poverty reduction).

58. So far as the Team can judge, political analysis is now on the Bank's agenda, but it is not yet mainstream policy. There is growing recognition that many desirable policies are just not feasible. This is prompting a shift of focus in some parts of the Bank, away from a preoccupation with getting a given reform agenda accepted, and towards identifying steps that would move things in a broad direction of progressive change. There is however still resistance within the Bank to doing political analysis, partly because it is seen as contravening the Articles that establish the mandate of the Bank; and partly because of scepticism about how to move from high level analysis to specific operational recommendations.

59. Within DFID, the impetus for DOC work has come from country offices, with support from a centrally located Policy Division team. The DOC approach is also widely known at headquarters, and statements from senior staff and Ministers still attach high importance to it. But there is a sense of growing tension – expressed by staff in all locations – arising from the pressure to increase spending, especially in Africa, and to pursue short term interventions to achieve the Millennium Development Goals. This is seen as difficult to reconcile with the emphasis of DOC studies on local political process, and longer timescales for fundamental change. So while DOC work is influencing corporate policy to some extent – for example on conditionality, country led approaches, and budget support – it is not seen yet, as having led to a fundamental shift in thinking about political and institutional context. For example, the model of 'partnership' adopted in policy guidance on conditionality still relies on assumptions about the incentives and capacity of poor countries to commit to pro-poor change that are at variance with country level DOC studies. DFID's corporate

emphasis on resources and capacity building, and on ‘doing more with less’<sup>23</sup>, is also seen as weakening incentives to invest systematically in building country knowledge. These tensions are not irreconcilable – for example, while DOC studies highlight the political and fiduciary risks of budget support, they also emphasise the potential benefits of more local ownership of financial resources. But DOC work is raising fundamental questions about how best to support progressive change, and this is reflected in ongoing discussions both within DFID, and between DFID and the FCO.<sup>24</sup>

## 5.4 Harmonisation and aid effectiveness

60. There is an expectation that Power and DOC analysis might provide a firmer footing for the harmonisation agenda, in terms of providing common ground for joint donor initiatives. The finding from **Bolivia** is that the studies have done little to increase donor harmonisation and effectiveness. In **Bangladesh** the studies are seen as having some value in promoting donor co-ordination (for example on anti-corruption efforts), and fostering shared perspectives on core governance problems. But while there is a high level of shared understanding about the problems, there is significant variation among donors in the best means to address them.<sup>25</sup> This is also apparent from interviews in **Kenya**: the studies are highlighting fundamental differences in understanding of, and approaches to, development. At the same time a joint Power or DOC analysis is planned by a group of donors in preparation for a Joint Assistance Strategy which will initially entail a synthesis of the four existing studies as a basis for deciding whether new work should be commissioned. In **Tanzania** the preparation of the terms of reference for the DFID and Sida studies entailed extensive consultation and participation in the (donor) Governance Working Group in Dar es Salaam. As their study objectives were perceived to be different, it was decided to run separate DFID and Sida analyses. The Governance Working Group plans to arrange a one-day workshop, in which the DFID and Sida studies and the World Bank political economy study will be discussed jointly.<sup>26</sup>

61. These differences in the understanding of, and approaches to, development are reflected in the kinds of studies being commissioned (see Section 2 above).

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<sup>23</sup> Reflecting constraints on administrative budgets, in spite of big increases in programme funding.

<sup>24</sup> Our country sample was too small to draw firm conclusions, but in a survey of FCO posts in December 2004, 60% said DOC work had led to more constructive debate, greater understanding and shared objectives. However there has also been some scepticism, and tensions between the short term horizon of FCO work, and the DOC emphasis on long term, structural issues (for instance in Kenya).

<sup>25</sup> The Joint Assistance Strategy being developed by DFID, the World Bank, the Asian Development Bank and Japan sets out some of the parameters for a shared position on governance issues that highlights the linkages between institutional reforms and positive growth and poverty outcomes.

<sup>26</sup> In preparation for this workshop, the Group plans to commission a consultant to prepare a short synthesis of the three studies.



The contrast is greatest between the Bank, which tends to focus on formal, public institutions, and looks to political analysis to provide guidance on the scope for policy and institutional reform; and Sida, which sees the lack of democratic governance and human rights as the root cause of poverty, and power analysis as strengthening the case for a rights based approach.

62. However there is scope for different analytical approaches to lead to a genuine dialogue about such differences in perspective. There are common starting points: (i) a growing recognition that technical, donor led approaches to reform have not worked well; (2) the need to understand underlying causes, not just symptoms, of poor governance, and to take account of informal institutions as well as formal structures; (3) the search for country led incentives for progressive change; (4) the concern that donors themselves may impact in a negative way on those incentives. While the studies the Team examined are of variable quality and scope, they do contain a common core of analysis about country context which could provide a starting point for dialogue. Most importantly, they have the effect of challenging staff to articulate their (often implicit) assumptions about how sustained change occurs.

63. This is beginning to happen, but is still patchy, and more apparent in informal conversations than in public policy statements. One example is a joint workshop organised by DFID and Sida for Heads of Mission and donor colleagues in Nairobi in November 2004. Sida see this as having ‘added another layer’ to their thinking about the state (including the way patronage politics shapes incentives of policymakers). Others dismissed the occasion as ‘saying nothing new’, or ‘preaching to the converted’. What seems clear is that there is scope for dialogue. A starting point – which could bring together donors (including the Bank), concerned with public financial management, and donors who emphasise civil society as the source of demand for change – might be a discussion of state-society dynamics around tax and public expenditure issues. Recent work by Bank staff as well as IDS research<sup>27</sup> emphasises the potential for state-society relations to be mutually reinforcing, and the need to think about ways in which changes in state institutions or programmes could have an impact on incentives and opportunities for civil society groups to organise, thus in turn creating further pressure for change.

## **5.5 Implications for internal organisational incentives**

64. DOC work has triggered debate within DFID about how far internal, organisational incentives support continued development and implementation of DOC work. A recent report suggests that such incentives are relatively weak, and recommends more visible support from senior staff, as well as changes in human resource management systems, in order to demonstrate (through performance assessment, promotions and postings) that skills in political analysis, and country level knowledge, are valued and rewarded. Similar issues seem likely to arise in other donor organisations, as efforts are pursued to mainstream

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<sup>27</sup> See ‘Building State Capacity in Africa, 2004 ed Brian Levy and Sahr Kapundeh; also the IDS publication ‘Signposts to More Effective States’, June 2005

Power and DOC analysis work, and think through their operational implications.

## 6 Conclusions and lessons learned

65. There is a strong groundswell of interest and support for better understanding of the political and institutional context of development among bilateral and multilateral donors. The centrality of politics to improving aid effectiveness and generating better outcomes is now widely appreciated. Power and DOC analyses have played a central role in contributing to this shift in perceptions.

66. Approaches to Power and DOC analysis are still evolving – and in different ways – reflecting different mandates and organisational structures of the main donors involved. To date, DFID’s approach has been decentralised and largely country led; Sida’s work has been informed by dialogue between HQ and country offices; while the main initiative for World Bank work has come from HQ.

67. Power and DOC analyses commissioned by different donors contribute to a shared understanding of development challenges and greater commonality on the best means to address these. On the other hand, there is also a tendency for some studies to reflect and reinforce existing donor biases and to highlight differences in their approach to development. However, Power and DOC analysis can also accentuate differences in perceptions and follow-up actions within donor agencies, which may prove more challenging to resolve than different approaches between organisations.

68. Power and DOC analyses are also making a difference to agency practice. The studies examined in this review provide evidence of changes in ways of thinking about governance and processes of pro-poor change, and in operational strategies and programming.

### 6.1 Design, conduct and usage of studies

69. Several lessons can be identified under this heading<sup>28</sup>:

- Purpose and approach: The diversity in purpose and approach of the Power and DOC analyses commissioned by different donors caution

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<sup>28</sup> We understand that Task Team members have addressed a number of these issues in later and on-going studies.

against a singular all-encompassing approach. This could also contribute to analytical hegemony by the donors and undermine local capacity for knowledge production. Nevertheless, in some cases it may be relevant for a small number of like-minded donors to field joint studies. In other cases it might be more appropriate for the donors to commission their own studies in the light of their own needs and comparative advantage, and then try to have a serious dialogue with other donors and stakeholders about the implications.<sup>29</sup> There is also scope for commissioning more specialised studies to follow up the large all-encompassing country level analyses as a means of adding value and avoiding duplication.

- Scope, resources and skills: The Power and DOC analyses examined in this review demonstrate quite substantial variations in the scope of the TORs, resources and time allocated. There has sometimes been a mismatch between the ambition of a study and the resources allocated, and there is no necessary correlation between the size of the budget and the quality and significance of the outputs. In most cases, the mix of local and international consultants seems to work well. The competence and experience of the consultants are probably more important than their nationality, though local knowledge is essential. There is scope to draw more systematically on local staff as well as independent policy research institutes with greater attention to building local knowledge production and capacity for political economy analysis.
- Timing: The timing of studies is clearly important, both in relation to programming opportunities and country circumstances. The potential impact of political economy analysis can be enhanced by careful attention to donor country strategy and project cycles (to maximise its operational utility), as well as to electoral cycles and events such as constitutional reviews and referendums (to highlight the significance of positive political trends and opportunities for public debate).
- Quality and utilisation: The content and quality of the studies clearly matters in terms of their perceived legitimacy and impact, even though the findings often tend to confirm or deepen understanding rather than building new knowledge. This may be less important than the organisational receptiveness of the donor commissioning the analysis and the incentives to follow through the implications. High quality analysis and well-founded findings that are politically sensitive or question donor policy may undermine the incentives for utilisation and dissemination of the study. On the other hand, studies that deal squarely and frankly with the real problems can contribute to the dialogue between donors and partner governments, though such reports may not be suitable for a wider public circulation and dialogue.

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<sup>29</sup> The experience from DFID's still not finalised DOC in Tanzania seems to support this line of reasoning.

- Operational implications: Studies vary in their operational significance and few elaborate the implications for policy and programming. Potential operational considerations need to be clear at the outset and communicated to the study teams, but without gearing the analysis to purely practical outcomes. The primary purpose of Power and DOC analyses should be set out in the terms of reference, whether it is to deepen knowledge, facilitate dialogue, foster influence, or feed into policy development and programming.
- Audiences and stakeholders: In political economy analysis it is important to involve key audiences and stakeholders from the outset. This requires some clear thinking about how the study will be used (for internal information, to contribute to strategy and programming, or for external dialogue), a strategy for dissemination, engagement and influence. It also requires more systematic attention to distinguishing between the different audiences for this work, in a manner that reaches potential change agents outside donors and governments, in political parties, trade unions, business associations, NGOs, and media organisations.
- Dissemination: Donors are selective about the studies they choose to publicise. Few reports are published or translated into local languages. For example, only half the DFID DOC studies are available through the Governance Resource Centre website<sup>30</sup>, mostly in summary form, but not on the main DFID website or those of the country offices. All Sida power studies that are completed are available through Sida's Website. None of DFID's thematic or sector studies are publicly available. Positive examples in this regard are the wide circulation of the World Bank's 'Government That Works' report in Bangladesh, and planned publication of the DFID Pakistan DOC studies in book form. However, it would be unwise for donors to adhere either to the principle of unconditional release of all studies, or to strict secrecy; decisions on what versions to release and to which audiences should be contingent on local political conditions, the sensitivity of the findings, the purpose of the study and the profile of the aid agency responsible for commissioning the study.
- Public debate: The value of promoting public discussion and debate has not been at the forefront of design considerations, but this deserves further attention in the future. Public discussion of the issues addressed by the Power and DOC analyses is easier in some countries than in others, depending on their political sensitivity and opportunities for public dialogue. Policy research institutes and the media have a role to play in this regard.

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<sup>30</sup> <http://www.grc-exchange.org/>

## **6.2 Challenges and opportunities**

### **6.2.1 Challenges**

70. The future of Power and DOC analysis faces a number of risks, or challenges:

- Power and DOC analyses may raise unrealistic expectations of being able to identify short term action which can solve deep seated problems;
- There is a lack of good, documented examples to illustrate how to move from high level analysis to practical action at an operational level;
- The analyses may make donors risk averse (e.g. they may not attempt civil service reform; they may not move to budget support). Risk aversion may sometimes be appropriate, but is damaging if it results in institutional paralysis;
- Corporate donor or domestic (partner country) political interests may make them unreceptive to Power and DOC work, or to taking account its implications.

### **6.2.2 Opportunities**

71. The review also suggests that Power and DOC analyses hold real opportunities and can mitigate some of the risks highlighted above:

- By improving donors' understanding of the social, cultural, political and institutional context, and its impact on development; and to engage in dialogue within and between donor organisations on the basis of this analysis, which may enhance collective donor understanding and lead to better design of pro-poor aid interventions and improve long term effectiveness. This is particularly important where donors are moving towards Joint Assistance Strategies;
- Through dialogue with partner governments, national assemblies, political parties, trade unions, and other social movements and interest groups – work to date has not been designed for this purpose, but this holds promise for the future;
- Through joint efforts to support more focused research into these issues, for example, with a focus on more manageable and specific themes such as the politics of corruption, civil service reform, etc.

## **6.3 How to take the agenda forward**

72. The findings of this review have wider implications for donor practice which in turn can deepen the relevance and utility of future Power and DOC analyses.

### 6.3.1 Underlying values

73. The Power and DOC analyses reviewed here challenge donors' (often implicit) assumptions about development, and highlight some fundamental differences of perception: (i) within donor agencies (often between different professional groups); (ii) between some donor agencies and Ministries of Foreign Affairs; and (iii) between donors. Fostering debate and challenging received wisdom through such work can be positive, provided that mechanisms exist through which findings can be deliberated, evaluated, and challenged. Greater involvement of programme administrators and sectoral specialists within aid agencies; improved inter-departmental dissemination within donor governments, and more active engagement by donor consultative forums are all means by which such objectives might usefully be pursued.

### 6.3.2 Donor receptiveness

74. DOC and power analysis is potentially challenging because it reveals how little is really known about how to promote progressive and sustainable change, and often highlights the limits of donor intervention. No agency has a monopoly of knowledge, which reinforces the need for harmonisation of donor approaches, but also the importance of dialogue and a degree of pluralism. All donors involved in this review have emphasised the need for ongoing lesson learning. This is underlined by the Team's assessment of the country studies, which highlight the need for a rigorous, critical approach (e.g. thinking through the links between democracy, human rights and poverty reduction; or what is really implied by a 'country led approach'); and openness to other perspectives. This points to the need to ensure complementarity and cross-learning between different studies and approaches, and to acknowledge the limitations of a 'one size fits all' approach. Involving other donors in the development and/or review of country programming frameworks could be a good starting-point for such work.

### 6.3.3 Operational significance

75. Donors are struggling with how to translate high level analysis and recommendations into operational strategies and programmes. In this regard, there is still relatively little by way of good examples to draw on.<sup>31</sup> Relevant examples found in the course of this review include a new approach to governance work by DFID in Bangladesh, fresh perspectives on civil service reform in Kenya, and a new Sida rights based programme in Kenya. Sometimes it may be easier to make progress at a sector level, but the key seems to be finding country specific entry points, where donor interventions could engage with local political incentives, and trigger longer term, cumulative change. For this purpose, good political analysis is indispensable, but it needs to be accompanied by good practical examples. Further work on documenting and disseminating experience of operational innovation resulting from political economy analysis would be a useful contribution.

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<sup>31</sup> Sources include the World Bank LICUS (Low Income Countries Under Stress Initiative) studies on the political economy of turnaround and Brian Levy and Sahr Kapundeh's recent edited book, *Building State Capacity in Africa: New Approaches, Emerging Lessons*, World Bank, 2004

### **6.3.4 Aid effectiveness**

76. It might be argued that there are two broad trends in the area of development assistance: one is the DAC-led drive towards aid effectiveness with its focus on ownership, alignment, harmonisation and monitoring, which is closely associated with the PRSP approach. The other is the increasing interest and support for better understanding of the political economy of the development process. The former is gradually leading the donors into joint assistance programmes and joint assistance strategies. At the same time, the development assistance tends to take the form of sector-wide approaches, sector budget support and general budget support. These aid modalities are characterised by a quest for recipient government ownership and reliance on recipient government institutions and mechanisms for planning, monitoring and control. But Power and DOC analyses often generate findings that challenge the implications of increased ownership and the speed with which the alignment and harmonisation drive is implemented, and question the rationale for increased aid investments and the utilisation of new aid instruments. This may be regarded as inconvenient in some quarters. But these concerns should not invalidate the value of Power and DOC analysis which can increase awareness of the likely impact of external interventions on internal incentives and the scope for progressive change, encourage realism about what is achievable and within what time-scales, and provide guidance in demonstrating the relative effectiveness of different aid modalities and courses of action. Given the fundamental nature of the issues addressed, it is imperative that Power and DOC analysis should be used to inform the aid effectiveness agenda, in particular to mitigate the risks involved.

### **6.3.5 Harmonisation**

77. The studies reviewed demonstrate that well founded Power and DOC analysis holds the potential to improve donor harmonisation. For this to take place, in-country mechanisms are required to promote transparency, coordination and exchange of the experience gained through discrete studies undertaken by different donors. Given the drive towards ownership, alignment and harmonisation, which has already yielded positive results in terms of joint donor endeavours in the area of programming and financing arrangements, it should also be possible to achieve progress in the area of coordinated political economy analysis and dialogue. Ideally, a coordinated approach to political economy analysis should be orchestrated to feed systematically into the deliberations on joint assistance programmes and strategies. However, this does not necessarily imply joint Power and DOC studies, but rather that the donors each undertake studies based on their particular needs, interests and comparative advantage, and that experiences are shared and discussed. This would strengthen the quality of joint strategies and programmes, lower the risks and lead to greater aid effectiveness.

### **6.3.6 Political economy of the donors**

78. This review highlights the importance of organisational incentives and the political economy of donor organisations. The findings of Power and DOC analyses may not be well aligned with donor incentives to demonstrate short term impact, respond to their own taxpayers and lobby groups, and to spend the



allocated aid resources for two main reasons: (i) Political economy analysis suggests the need to focus on local political processes and actors (including donors), and to expect longer timescales for fundamental change to take place; and (ii) the studies highlight the importance of informal institutions (such as kinship and patronage, which are difficult for outsiders to understand or influence) in shaping organisational behaviour and policy outcomes. A direct implication is the value of undertaking analysis of the political economy of donor agencies in particular country contexts in order to improve the utilisation of Power and DoC findings and recommendations

### **6.3.7 Capacity issues**

79. Power and DOC analyses raise complex issues for donors' human resource policies. Many staff members, especially in country office, will need to acquire new skills and access opportunities to internalise learning through training, networking and guidance. The potential insights of local staff will need to be cultivated and drawn on more systematically. Local sources of knowledge production (such as policy research institutes, NGOs and media outlets) can be engaged more systematically in the generation and dissemination of political economy analysis. Donors should be prepared to invest resources in these various initiatives if they are to maximise the organisational benefits to be derived from political economy analysis.

## **6.4 Practical implications**

80. The findings of this review give rise to a number of practical follow-up actions that could be pursued by GOVNET members that would improve the operational utility of Power and DOC analysis in the future.

- Creating a web-based clearing house for political economy studies through GOVNET, where all Power and DOC studies published by the individual donors are made available country-by-country;
- Improve linkages between GOVNET and in-country donor coordination groups, especially those responsible for democratic governance issues;
- Encourage in-country donor coordination groups to establish a more consistent set of documentation on political economy analysis;
- Production of guidance notes for conducting Power and DOC analyses for donors coming fresh to this work;
- Identify means by which study findings can be synthesised to feed more effectively into Joint Assistance Strategies and the design of PRSPs in partner countries;
- Improve cross-referencing to and integration with other types of donor analysis on human rights, conflict, and institutional capacity.

- Inform the aid effectiveness agenda by forging closer co-operation between the GOVNET Task Team and other Task Teams under the OECD/DAC.
- Draw lessons learned from a larger series of the existing Power and DOC analyses with the specific aim to inform the current aid effectiveness agenda.
- Undertake an analysis of the political economy of donor agencies in order to improve the utilisation of the findings and recommendations from past and future Power and DOC analyses. Such an analysis could focus on how donor agencies serve as a key actor in shaping change processes and the implications of 'supply-driven' disbursement mechanisms of some donor agencies, for example the practice of maintaining established budgets and policy priorities in the face of the challenges emanating from some of the Power and DOC analyses.

## **Annex 1**

### **Terms of Reference (Final version)**

#### **Lessons learned on the use of Power and Drivers of Change analyses in development co-operation**

##### **Background**

The Power and Drivers of Change approach has developed on the basis of DFID's and other bilateral and multilaterals'<sup>32</sup> attempts to address one of the traditional problems faced by donors, commonly termed 'political will' and its impact on pro-poor change programmes and policies: the missing link between understanding a country's political framework and context and their relevance to development and poverty reduction. This approach involves gaining a deeper understanding of the political, social, cultural and economic issues at play in a country; the power relationships between actors and at the societal level; and the incentives of these actors to affect or impede change.

A variety of approaches to power and drivers of change analysis have been developed. As well as using different methods, these use different language. For the purpose of this study, the term *power and drivers of change analysis* will be used. The studies conducted by different donors have focused on the structural and institutional factors likely to 'drive' or impede pro-poor change and to the underlying interests and incentives that affect the environment for reform. These studies usually take the local situation as the basis for analysis, rather than standard existing policies. A more detailed presentation and definition of terms are attached (Annex 3)

The already existing or ongoing country power and drivers of change studies have sought to identify the following:

- National policies and development processes that promote accountability, participation, transparency, equality in dignity and rights of the poor and marginalised groups;
- National, regional and local stakeholders and forces that attempt to enhance the interests and human rights of the poor;
- Forces and underlying structures that influence the political and human rights of the poor in the judicial system, civil society, the media, formal/informal institutions; and also how underlying structures such as demographics or natural resources affect these.
- Cultural values, incentives and systems that promote or undermine pro-poor change

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<sup>32</sup> These include Germany, the Netherlands, Norway, Sweden, the United States and the World Bank.

## **Purpose**

The purpose of this study is to identify lessons learned in conducting power and drivers of change analysis. Specifically, the study will seek to compare and contrast different donors' approaches to power and drivers of change analysis with a view to identifying useful similarities and differences in approaches and focus, and to identify what is being done with these findings.

## **Focus and scope of work**

Based on a selection of four to five completed studies conducted by bilateral and multilateral donors (see Annex 1), and a selection of respondents (see Annex 2), this study shall address the following<sup>33</sup>:

### *Study Design and Methods*

- The methods used in the power and drivers of change studies. This will include how the studies were conducted (e.g. whether they were desk studies or involved consultations); undertaken for what purpose (e.g. programming or policy making); who was involved (i.e. who undertook the studies and who were their interlocutors both within and outside the donor agency); and whether they were validated with external stakeholders (e.g. with the government or civil society through public meetings)
- The similarities and differences between these different approaches.
- Whether linkages were made to other types of approaches or studies (e.g. human rights based approaches to development gender analyses, or conflict assessments)? And if so, whether they were undertaken as joint exercises, sequenced or replaced these? Whether power or drivers studies suggested more or less donor collaboration than other types of studies.
- The cost and time implications of undertaking such studies.
- The inclusion and/or emphasis given to formal and/or informal issues, institutions and processes?

### *Study Usage*

- How and by whom were the study findings used? Including by location of staff (in-country embassy or donor offices, or HQ) and type of staff (programme, diplomatic or advisory).

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<sup>33</sup> Distinction should be made between the planning, implementation and follow-up stages

- Whether, why and how the knowledge was shared with other donor governments, partner governments or other stakeholders (civil society, NGOs).

### *Subsequent Changes in Donor Thinking and Approaches*

- If and how the studies have changed the understanding of how to bring about pro-poor change and poverty reduction in the commissioning donor (and other government department colleagues) and other stakeholders.
- If and how the studies have led to an increased understanding of particular power relations between the government/parts of the bureaucracy, private companies and/or civil society, at the national and local level. This may include whether the government favours certain strata, classes, groups, regions or urban/rural populations of the country, etc. at the expense of others. And what this means for poverty reduction?
- If and how the study findings have led to changes in country assistance plans and programmes. This may include the type of aid instrument chosen and how it is applied, or who is supported and how, e.g. any changes in the support to local government reforms, regional development programs, local civil society organizations, etc.
- If and how the study findings have led to changes in donor policy on the approach to development assistance.
- If and how the study findings have led to changes in donor government policy on and approaches to political relations.
- Has utilisation of the approaches suggested any modification to their design or implementation to improve the use of the studies' findings, e.g. who undertakes the study, whether the process is transparent, whether one or more donor collaborated on the study.

## **Implementation**

### *Methodology*

- The information gathering phase shall be based on selected studies and other relevant documents, including some "how to" literature on political economy analysis and available information on relevant donors' websites.
- The consultants are then expected to develop a protocol with areas for questioning and questions<sup>34</sup> stakeholders, (referred to as "respon-

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<sup>34</sup> To be submitted to DAC Secretariat and core task team for approval

dents') that were involved in the making or have used the selected case studies in the context of their work in the country.

- The consultants are to conduct interviews and meetings with some of these stakeholders. The respondents should be primarily asked (i) how the studies were conducted (approaches, methods, purposes and actors involved.) and how the studies have enabled donors and other stakeholders to have a better understanding of various power relations and of possible entry points for change; (ii) to assess what use was made of the findings of the studies, whether they lead to increased understanding of the local situation and (iii) had a longer term impact on policy, partnerships or programming. Respondents should also be asked whether the studies provided incentives for embassy/field office staff to plan and implement studies (see scope of work).
- The assignment will include two field trips to two of the countries included in the study, to assess the use of the studies and to consult with stakeholders in the field.

#### *Inputs and Competencies*

The Consultants will work with the DAC Secretariat and the Task Team core group (Sweden, Norway, and the UK) to identify a selection of respondents at the field and Headquarters level willing to participate in the study. Ideally, respondents will have to have been associated with the studies conducted for each country considered. It is expected that at least four respondents per agency is an appropriate sample.

It is expected that up to a **total of 60 person-days** will be required for this work. The Consultants will have to have strong experience of donors' practices in development cooperation and a background in the following: (i) Political science/social science/governance; (ii) Development economics/political economy; (iii) Development planning/planning methodology.

The consultants shall also have demonstrated familiarity with the economics and politics of aid, a knowledge of the contemporary literature on political economy analysis and an understanding of the approaches of different donors.

#### *Timing*

The Consultancy is expected to take place from 11th April or as soon as possible thereafter. The first draft of the final report is due for submission to the DAC Secretariat (copied to Sida, NORAD and DFID) by the mid July 2005 (no later than 15<sup>th</sup> July). It is expected that the Consultants will meet with the GOVNET Secretariat and members of the core task team (Sida, NORAD, DFID) to submit and discuss the inception report they'll have prepared (25<sup>th</sup> April in Stockholm) and submit a midterm report by the first week of June 2005.

#### *Reporting*

The Consultants will produce<sup>35</sup> two core outputs written in English; under the title *Lessons learned on the use of Power and Drivers of Change analyses in development cooperation*, for the GOVNET, these outputs will include:

- An inception report (to be produced and discussed with the core Task Team two weeks after the official start date of the contract)
- A midterm report (due end of May 2005)
- A Synthesis Report (maximum 20 pages, excluding annexes) with footnotes, a bibliography and annexes
- A two-page executive summary identifying the main lessons learned and conclusions

The consultants shall report to the DAC Secretariat (Network on Governance—GOVNET), in consultation with the task team's core group, and with the entire task team on power and drivers of change analysis.

The contract on the assignment will be entered between the GOVNET Secretariat and the consultants.

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<sup>35</sup> Both hard copies and an electronic copy.

## **Annexes to Terms of Reference**

### *Annex 1*

Suggested power and drivers of change studies to serve as a basis for the lessons learned study:

- Kenya
- Tanzania
- Bangladesh
- Bolivia
- Yemen

### *Annex 2*

Suggested selected respondents:

Selected respondents should include Embassy/field office staff, Headquarter staff, academics, consultants, civil society representatives and government officials of relevant ministries that have been involved or exposed to the studies carried out in the selected countries. Primary attention should be given to staff of the agencies that have conducted the study, but not exclusively.

The consultants shall be in contact with members of the GOVNET task team on Power and Drivers of Change analysis to facilitate access to these respondents.

### *Annex 3*

Definition of terms (based on DFID, Drivers of Change Public Information Note, September 2004)

- *Change* includes negative as well as positive change.
- *Agents* refers to individuals and organisations pursuing particular interests, including the political elite; civil servants; political parties; local government; the judiciary; the military; faith groups; trade unions; civil society groups; the media; the private sector; academics; and donors.
- *Structural features* includes the history of state formation; natural and human resources; economic and social structures; state-market relations; demographic change; regional influences and integration; globalisation, trade and investment; and urbanisation. These are deeply embedded and often slow to change.
- *Institutions* include the rules governing the behaviour of agents, such as political and public administration processes and relations between public administration and private organisations. They include the informal as well as formal rules. Institutions are more susceptible to change in the medium term than structural features.

The 'drivers of change' approach may be spelled out through six propositions. The degree to which they apply in different societies will vary.



- The quality of institutions, and of their governance, is a key influenceable factor affecting the achievement of poverty goals. These institutions may be public or private, formal or informal, rural or urban. From a poverty-reduction perspective, the extent to which they meet the priorities of poor people, women and other marginalized groups, will often be important.
- The role of these institutions and the impact of any shortcomings, in poverty reduction may be understood through the effects they have on development strategies. There are different ways in which these strategies may be formulated, but one means of doing so that is applicable in many countries is to categorise them as involving some combination of: sustainable economic growth; empowerment; access to markets, services and assets; and security.
- The quality of institutions for these purposes is defined in terms of accountability and/or effectiveness. Shortcomings of institutions (absent or narrow accountability, and/or ineffectiveness or inefficiency in undertaking mandated tasks) will often hinder achievement of these strategies. In particular the decisions and actions or inaction of those with power and influence may reflect narrow and often short-term interests. These patterns of behaviour may be actively oppressive, or they may simply make it more difficult for citizens to improve their livelihoods, through for example discouraging local initiative, weakening the performance of the civil service, or creating a disabling environment for investment.
- The major reason for these shortcomings often lies in the nature of the incentives facing those with power and influence, and the restraints (or lack of them) to which they are subject. In some countries, living standards can be raised as a result of changes brought about by a modernising elite; in others the elite may fail to grasp the opportunities. In states of the latter type, the ability or willingness of citizens to apply sufficient demand or pressure for improvement will be crucial if pro-poor change is to come about. In some of these countries, patrimonial politics will hinder the necessary pressure being applied.
- Strengthening this pressure on elites can come about through supporting two sets of factors that collectively may be termed the drivers of change: (i) broad, long-term structural or institutional processes of social, economic and political change (the context for pro-poor change); (ii) reform-minded organisations and individuals (the agents for change).
- In many countries, the main roles in strengthening this pressure have to be played by citizens and their organisations. However, outsiders, such as international development agencies, will often have opportunities to be supportive, and also need to avoid inadvertently causing harm to pro-poor processes.

## **Annex 2**

### **List of Persons Consulted**

#### **Tanzania**

##### *Donors*

Annabel Gerry, Governance Adviser, DFID, Dar es Salaam\*

Denyse Morin, Senior Public Sector Specialist, World Bank, Dar es Salaam\*

Torbjörn Pettersson, Counsellor, Embassy of Sweden, Dar es Salaam\*

Lornts Finanger, Senior Advisor, Department for Governance and Macroeconomics, Norad, Oslo\*

Tove Stub, Assistant Director, Section for East and West Africa, Regional Department, Ministry of Foreign Affairs, Oslo\*

Note: \*) by telephone

#### **Bolivia**

##### *Donors*

Johanna Teague, Programme Officer, SIDA

Adam Behrendt, Governance Adviser, DFID

Yasuhiki Matsuda, Senior Public Sector Specialist,<sup>36</sup> World Bank

Edgardo Mosqueira, Senior Public Sector Specialist,<sup>37</sup> World Bank

Carlos Mollinedo, Chief Economist, World Bank

Marianela Zeballos, Senior Operations Official, World Bank

Mogens Pedersen, Ambassador, Embassy of Denmark

Karsten Nielsen, Councillor, Embassy of Denmark

Fernando Medina, Programme Officer, Embassy of Denmark

Philipp Knill, Councillor, Embassy of Germany

Thomas Kampffmeyer, Co-ordinator, GTZ-PADEP

Diego Avila, Principal Councillor, GTZ-PADEP

##### *Government*

Juan Carlos Zuleta, Director, PRI, Ministry of Sustainable Development.

Ana Lucia Reis, Delegate (Pando) & Vice President of Amazon Parliament

Roberto Barbery, former Minister for Popular Participation

Felipe Caballero, Director of Analysis and Conflict Prevention, Ministry of the Presidency

##### *Consultants, Academics Organisations*

Carlos Toranzo, Project Co-ordinator, ILDIS - Friedrich Ebert Stiftung

Francisco Herrero, Resident Director, National Democratic Institute (NDI)

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<sup>36</sup> Task Manager for the IGR on Bolivia. Interviewed by telephone: World Bank, Brasilia).

<sup>37</sup> Via telephone conference: World Bank, Lima.

Simón Yampara, President, APPNOI (Aymara indigenous organisation)  
Guido Riveros, President, Fundación Boliviana para la Democracia Multipartidaria (FBDM)  
Rodolfo Santibáñez, Director, FBDM  
Ivo Arias Bustios, FBDM  
Jimena Costas, Lecturer, University Mayor de San Andrés (UMSA)  
Luis Tapia, Co-ordinator, Centre for Post-graduate Studies, UMSA  
Tommy Duran, board member of FBDM and member of MBL (political party)  
Vladimiro Ergueta, board member of FBDM, member of MNR (political party) and Association of Bolivian Political Scientists  
José Antonio Peres, Director, Centro de Estudios y Proyectos  
Paola Rozo, Co-ordinator, Centro de Estudios y Proyectos  
Javier Medina, academic writer

## **Bangladesh**

### *Donors*

Firoz Ahmed, Head, Governance, ADB  
Kurshid Alam, Senior Public Sector Specialist, The World Bank  
Lorraine Barker, Australian High Commissioner  
Mehtab Currey, Deputy Head, DFID Bangladesh  
Mohammed Iqbal, Senior Energy Specialist, The World Bank  
Jørgen Lissner, Resident Representative, UNDP  
Borje Mattsson, Swedish Ambassador  
Hans Melby, Deputy Head of Mission, Royal Norwegian Embassy  
Christian Poffet, Deputy Country Director, Swiss Development Cooperation  
S.M. Rafiqzaman, Irrigation Engineer, The World Bank,  
Todd Sorenson, Director, Office of Democracy, Governance and Education, USAID  
Bo Sundstrom, Head of Management Services, DFID Bangladesh  
Nick Taylor, First Secretary, European Union  
Andries van der Muelen, First Secretary, Royal Netherlands Embassy

### *Government*

Syed Yusuf Hossain (Rtd.), Former Comptroller and Auditor General, Government of Bangladesh

### *Consultants, Academics and Organisations*

Mozaffer Ahmed (Rtd.), Professor of Economics, University of Dhaka  
Iftekhar Zaman, Executive Director, Transparency International

In addition, six representatives of leading NGOs participated in an informal roundtable organised by Transparency International.

## **Kenya**

### *Donors*

Maria Stridsman, Sida, (Head Sida Nairobi),  
Kalle Hellman, Sida, (economist), Nairobi  
Brian Levy, World Bank, Washington, by telephone  
Wendy Ayres, World Bank, Nairobi  
Fred Kilby, World Bank, Nairobi  
Sue Lane, (governance), DFID, Nairobi  
Eddie Rich, (programme manager), DFID, Nairobi  
Marilyn McDonough, (health), DFID, Nairobi  
Louise Banham, (education), DFID, Nairobi  
Tim Lamont, (economist), DFID, Nairobi  
Rachel Lambert, (rural livelihoods), DFID, Nairobi  
Catherine Masinde, (enterprise), DFID, Nairobi  
Martin Oloo, (civil society adviser), DFID, Nairobi  
Simon Bland, (Head of Office), DFID, Nairobi  
Ian Paterson, (British High Commission), DFID, Nairobi  
Gerard Duijfjes (Netherlands embassy)  
David Ongolo (Netherlands embassy)

### *Government*

Mr Kiara (Ministry of Agriculture and Director of Sida funded agricultural extension project)  
Engineer Asfaw Kidanu (Ministry of Roads - working with Sida funded roads project in Nyanza)

### *Consultants, Academics Organisations*

Betty Maina (lead consultants for power analysis)  
Jeremiah Owiti (lead consultants for power analysis)  
Professor Ng'ethe (University of Nairobi and lead consultant)  
James Nyoro (Tegemeo Institute and involved in DFID's Agriculture study),  
Gem Argwings-Kodehek (Tegemeo Institute and involved in DFID's Agriculture study),  
Angela Wauye (Action Aid - involved with DFID agriculture study)

## **Donor Headquarters**

Ingmar Armyr, Programme Officer, Division for Democratic Governance, Department for Democracy and Social Development, Sida  
Helena Bjuremalm, Programme Officer, Division for Democratic Governance, Department for Democracy and Social Development, Sida  
Björn Holmberg, Head of Division, Division for Peace and Security in Development Cooperation, Sida  
Ann Stödberg, Advisor, Division for Democratic Governance, Department for Democracy and Social Development, Sida

Marja Ruohomäki, Programme Officer, Division for Democratic Governance, Department for Democracy and Social Development, Sida

Ann Freckleton (Lead on DOC, Institutions and Political Systems team,, Policy Division (PD)). DFID

Stefan Mniszko (Institutions and Political Systems Policy Division (PD)), DFID

Graham Teskey (Head of Governance and Social Development team in PD; formerly Africa Policy Department), DFID

Tim Williams (Africa Policy Department), DFID

Stephen Sharples (Africa Policy Department), DFID

Bridget Dillon (Africa Policy Department), DFID

Ellen Wratten (Aid Effectiveness Team, PD), DFID

Jennie Barugh (Aid Effectiveness Team, PD), DFID

## **Annex 3**

### **Key Documents Used in the Review**

#### **General**

Sida: The political institutions (July 2002)

Sida (Collegium for Development Studies) conference report "Democracy, Power and Partnership"

Presentation on Sida's Power Analyses, OECD/DAC workshop in Paris on "Sharing Approaches to Understanding Drivers of Change and Political Analysis", June 1-2, 2004

Sida (draft) Synopsis—State of the art—power analysis (2004)

DFID, Drivers of Change Public Information Note September 2004

Norad: Guidelines on methodology for the governance report

Minbuza: The Stability Assessment Framework, prepared by the Clingendael Institute for the Netherlands Ministry of Foreign Affairs

#### **Tanzania**

DFID: accountability in Tanzania: historical, political, economical and sociological dimensions: a literature review prepared for Drivers of Change. Tim Kelsall and Max Mmuya.

DFID: Terms of Reference. Drivers of Change Initiative - Literature Review. February 2004.

Sida: Terms of Reference. Outline of Proposed Power Analysis Study. 2004.

Sida: A Power Analysis of Tanzania. Preliminary Reflections and Recommendations. July 2004.

Sida: Terms of Reference. Synopsis of a Desk-Based Study Focused on Analyzing Power in Tanzania. February 2005.

Sida (draft): Why do things happen the way they do? A power analysis of Tanzania. February 2005. Göran Hydén.

Sida: Terms of Reference. Power Monitoring. June 2005.

Sida: Monitoring Power for Development Policy Analysis: A Proposal. June 2005. Göran Hydén.

World Bank: Increasing Public Sector Accountability and Transparency in Tanzania: An Assessment of the Political Context of Economic Reform. April 2000. Joel Barkan.

Norad: Rapport om Styresett. (Governance study of Tanzania). June 2002.

#### **Bolivia**

DFID: Incentives of the Bolivian Political Elite to Promote Pro-Poor Reform: Assessment report and program recommendations. 2004. National Democratic Institute for International Affairs.

Sida: Terms of Reference for Power analysis in Bolivia [Spanish version]. December 2004.

World Bank: From Patronage to a Professional State: Bolivia Institutional and Governance Review. 2000. Report No. 20115-BO.

### **Kenya**

Sida: Terms of Reference for Study of Power in Kenya

Sida: An Analysis of Power in Kenya and Implications for Pro – Poor Policy and Swedish Support to Kenya--Final Draft

Sida: a study of power in Kenya (a secondment report)

World Bank: study [still missing]

DFID: Kenya Drivers of Change study (see [http://www.grc-exchange.org/g\\_themes/politicalsystems\\_drivers.html](http://www.grc-exchange.org/g_themes/politicalsystems_drivers.html))

Minbuza: Stability Assessment Framework, Kenya (and summary)

### **Bangladesh**

Sida: an analysis of the local power structure in Bangladesh with an emphasis on Faridpur and Rajbari districts

DFID: Bangladesh Drivers of Change study (see [http://www.grc-exchange.org/g\\_themes/politicalsystems\\_drivers.html](http://www.grc-exchange.org/g_themes/politicalsystems_drivers.html))

World Bank, Taming Leviathan: Reforming Governance in Bangladesh: An Institutional Review, March 2002

### **Other documents**

DFID: Peru's Political Party System and the Promotion of Pro-Poor Reform. July 2004. National Democratic Institute for International Affairs.

World Bank: Bolivia Institutional Reform Project - Independent Evaluation. April 2005.

Institute of Development Studies, Sussex: Pro-poor Change in Uganda: Drivers, Impediments, and Opportunities for Engagement. June 2004.

Norad letter: Gjennomgang av styresettsituasjonen i Bangladesh, Etiopia, Mali og Zambia. (Analysis of governance in Bangladesh, Ethiopia, Mali and Zambia). February 2002.

Norad letter: Rapport om styresett – bestilling. (Terms of reference for governance analyses). May 2002.

## Annex 4 Overview of Approaches to Power and Drivers of Change analysis

	DFID - Drivers of Change	Sida - Power analysis	World Bank - Institutional and Governance Review
1 Purpose (intended use)	Typically linked to preparation of CAPs	Typically linked to preparation of country strategies	Tool to pilot new approaches to political analysis and institutional reform
2 Who initiated studies?	Country offices	Country offices in dialogue with Sida headquarters	World Bank headquarters with limited consultation of country offices
3 Objectives	Seek a better understanding of the social, economic, political and institutional factors that encourage or impede poor change.	Capture informal and formal power actors, structures and relations	Understand a country's public sector and identify challenges and directions for reform.
4 Scope	Typically broad scope	Typically broad scope	Relatively narrow scope looking at institutional roots of government performance, taking account of political realities and constraints.
5 Analytical framework	Clear analytical framework provided by DFID headquarters but application varies according to locally perceived needs.	Sida is actively involved in lesson learning, with a view to developing a methodological framework for future studies.	Clear boundaries and consistent approach
6 Methodology	Mix of desk studies and field work	Mix of desk studies and field work	Typically comprehensive, field work based
7 Validation of findings	Done some times	Done relatively consistently	Fairly limited
8 Budget	Range from small to generous	Range from small to generous	Consistently well resourced
9 Consultants	Tend to be mix of UK based and international teams with input from local consultants	Prefer multi-disciplinary teams with substantial input by local consultants	Lead consultants are mainly international and / or World Bank staff members
10 Dissemination	Not done pro-actively and varying from country to country	Not done pro-actively and varying from country to country	Limited and not done pro-actively
11 Main users	Country offices and headquarters team in policy division responsible for the DOC initiative	Country offices, embassies and headquarters	World Bank's Public Sector Management group and in-country Bank officials involved in institutional reform programmes

**Note:** The generalisations reflected in the above table mask considerable variation of the different approaches from country to country. The table should be read in conjunction with the full review: *Lessons learned on the use of Power and Drivers of Change analyses in development cooperation.*