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# **DRG CROSS SECTORAL PROGRAMMING SUPPORT PROJECT: DRG INTEGRATION CASE STUDY SYNTHESIS**

March 2016

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# **DRG CROSS SECTORAL PROGRAMMING SUPPORT PROJECT:**

## **DRG INTEGRATION CASE STUDY SYNTHESIS**

March 2016

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DISCLAIMER: This report was written by a diverse team from Social Impact, Inc. and RTI International, with substantial contributions from USAID/DCHA/DRG Center's Cross Sectoral Programming Team. Christian Arandel served as lead author, with assistance from Marissa Bell, James Fremming and Jean-Camille Kollmorgen. The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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# ACRONYMS

<b>ALT</b>	Assets and Livelihoods in Transition
<b>AMDe</b>	Agribusiness and Market Development
<b>AOR</b>	Activity Officer's Representative
<b>ARCAS</b>	Animal rescue shelter
<b>BEE</b>	Business Enabling Environment
<b>CARE</b>	Cooperative for Assistance and Relief Everywhere
<b>CARSI</b>	Central America Regional Security Initiative
<b>CBHI</b>	Community Based Health Insurance
<b>CBO</b>	Community based organizations
<b>CDCS</b>	Country Development Cooperation Strategy
<b>CLAC</b>	Community Learning and Action Centers
<b>COP</b>	Petit Comité
<b>COR</b>	Contract Officer's Representative
<b>CSB</b>	Community Score Board
<b>CSO</b>	Civil Society Organization
<b>CSP</b>	Cross-Sectoral Programming
<b>DA</b>	Development Assistance
<b>DBE</b>	Decentralized Basic Education
<b>DCHA</b>	Bureau for Democracy, Conflict & Humanitarian Assistance
<b>DFAP</b>	Development Food Aid Program
<b>DG</b>	Democracy and Governance
<b>DO</b>	Development Objective
<b>DRG</b>	Democracy, Human Rights and Governance
<b>E2J</b>	Educating and Equipping Tomorrow's Justice Reformers
<b>EDPRS II</b>	Economic Development and Poverty Reduction Strategy II
<b>EG</b>	Economic Growth
<b>EG&amp;T</b>	Economic Growth & Transformation
<b>FFP</b>	Food for Peace
<b>FGB</b>	Facility Governance Boards
<b>FSN</b>	Foreign Service National
<b>FSO</b>	Foreign Service Officers
<b>FtF</b>	Feed the Future
<b>FY</b>	Fiscal Year
<b>GCC</b>	Global Climate Change Initiative
<b>GDP</b>	Gross Domestic Product
<b>GESI</b>	Gender Equality and Social Inclusion
<b>GJD</b>	Governing Justly and Democratically
<b>GNP</b>	Gross National Product

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<b>GoE</b>	Government of Ethiopia
<b>GoM</b>	Government of Malawi
<b>GoR</b>	Government of Rwanda
<b>GTP II</b>	Growth and Transformation Plan
<b>H4L</b>	Health for Life
<b>HDI</b>	Human Development Index
<b>HICD</b>	Human and Institutional Capacity Development
<b>HSFR</b>	Health Sector Finance Reform Project
<b>ICT</b>	Information and Communications Technology
<b>IUWASH</b>	Indonesian Urban Water, Sanitation, and Hygiene
<b>IP</b>	Implementing Partner
<b>IRS-DCD</b>	Implementing Reading Skills, Defining Childhood Dreams
<b>IUWASH</b>	Indonesian Urban Water, Sanitation, and Hygiene
<b>LAND</b>	Land Administration to Nurture Development
<b>LCD</b>	Local Capacity Development
<b>LGAP</b>	Local Government Accountability and Performance Activity
<b>LGBTI</b>	Lesbian, gay, bisexual, transgender and intersex
<b>MDG</b>	Millennium Development Goal
<b>MEDA</b>	Malawi Electoral and Decentralization Activity
<b>MINAGRI</b>	Ministry of Agriculture
<b>MNCH</b>	Maternal, Newborn and Child Health
<b>MoFALD</b>	Ministry of Federal Affairs and Local Development
<b>MoHP</b>	Ministry of Health and Population
<b>MP</b>	Member of Parliament
<b>MSF</b>	Multi-Stakeholder Forums
<b>NCBS</b>	National Capacity Building Secretariat
<b>NDI</b>	National Democratic Institute
<b>NGO</b>	Non-Governmental Organization
<b>OAA</b>	Office of Acquisition and Assistance
<b>PAD</b>	Project Appraisal Document
<b>PEA</b>	Political Economy Analysis
<b>PEPFAR</b>	President's Emergency Plan for AIDS Relief
<b>PGA</b>	Participatory Governance Assessment
<b>PHPA</b>	Public-Healing-Public-Auditing
<b>PITA</b>	Participation, inclusion, transparency, and accountability
<b>PMI</b>	President's Malaria Initiative
<b>PRIME</b>	Pastoralist Areas Resilience Improvement through Market Expansion
<b>PRIORITAS</b>	Prioritizing Reform, Innovation, and Opportunities for Reaching Indonesia's Teachers, Administrators, and Students
<b>READ</b>	Reading for Ethiopia's Achievement Development
<b>RFI</b>	Request for Information

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<b>RoL</b>	Rule of Law
<b>SEED</b>	Social, Environmental and Economic Development
<b>SEG</b>	Sustainable Economic Growth
<b>SJSRP</b>	Security and Justice Reform Project
<b>SME</b>	Small and Medium Enterprises
<b>SO</b>	Strategic Objective
<b>SOW</b>	Statement of Work
<b>SPPELP</b>	Strengthening Political Parties, Electoral and Legislative Processes
<b>STEPS</b>	Supporting the Efforts of Partners
<b>TO</b>	Task Order
<b>UNDP</b>	United Nations Development Programme
<b>USAID</b>	U.S. Agency for International Development
<b>USG</b>	US Government
<b>VDC</b>	Village Development Community
<b>WASH</b>	Water, Sanitation and Hygiene
<b>WHIP</b>	Western Highlands Integrated Program
<b>WWF</b>	World Wildlife Foundation
<b>YALI</b>	Young African Leaders Initiative
<b>C4J</b>	Change for Justice
<b>SIAP2</b>	Strengthening Integrity and Accountability Program 2

# EXECUTIVE SUMMARY

**Introduction:** USAID's Democracy, Human Rights, and Governance (DRG) Center of Excellence has undertaken a series of tasks to gather information on Agency efforts to integrate DRG principles and approaches into strategy development, project design, and program implementation. Under the Cross-Sectoral Programming (CSP) Support Task Order (TO), Social Impact (SI), Inc., and RTI International conducted case studies of DRG integration experiences at six USAID missions: Ethiopia, Rwanda, Indonesia, Malawi, Guatemala, and Nepal. The objectives included to:

- (a) Explore factors that enable or constrain DRG integration at the mission and project levels;
- (b) Consider the extent to which DRG integration is producing development results; and
- (c) Identify aspects of DRG integration approaches that are promising for future program planning.

Data collection methods for the case studies included a desk review of key background documents, a mixture of semi-structured group and individual key stakeholder interviews, and, when possible, site visits to speak with local partners and/or project beneficiaries. All case study teams included at least one SI/RTI researcher, and at least one member of the DRG Center. Stakeholders interviewed included a mixture of USAID mission and US Embassy staff, implementing partners, local organizations, project beneficiaries, host country government representatives, and other donors.

**The Case for DRG Integration:** DRG integration broadly refers to efforts in the USAID program cycle that engage democracy, human rights or governance principles or practices to further program results in other technical sectors. USAID's DRG Center has identified four main DRG principles that underpin integration: Participation, Inclusion, Transparency and Accountability (PITA). The hypothesis behind DRG integration is that these principles can be incorporated across other sectoral interventions and assessments and that doing so will improve overall development outcomes.

In the long term, DRG integration aims to promote more open and democratic societies, but in the short term it is a pragmatic, problem-solving approach. For example, DRG integration supports the effort of communities to be active participants in their healthcare and to hold service providers accountable for their use of public monies.

DRG integration is aligned with the Doing Development Differently (DDD) global initiative that aims at engaging in a dialogue on how to make development aid more responsive and effective. DDD and DRG integration approaches converge in their objectives to build local ownership, foster accountability, and promote responsive and sustainable interventions.

During the case study research, technical officers across many development sectors in several missions indicated that the program challenges they faced prominently feature DRG issues: lack of political will, poor decision-making and planning processes, corruption, patronage networks, insufficient engagement, and lack of accountability. DRG integration does not offer a silver bullet to solve these problems as they are ingrained and complex issues shaped by cultural, socio-economic, political, and historic factors. However, DRG offers a range of assessment methodologies offer insight into these issues, contextualize interventions, and ensure that important enabling or constraining factors are fully taken into consideration at different stages of programming. Some USAID resources include: the Applied Political Economy Analysis (PEA) Field Guide and Framework, DRG Strategic Assessment Framework, Local Systems Framework, anti-corruption assessment, and others.

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These assessments are operationalized through tools and approaches aimed at integrating the PITA principles into project implementation. These tools include but are not limited to: participatory strategic planning; participatory and gendered budgeting; social accountability tools; gender and youth inclusion strategies; CSO advocacy capacity development; local government service improvement methodologies; media and communication strategies; and others.

When asked why they opted to develop and implement DRG integration strategies, interviewees' responses typically fit within three broad objectives:

1. DRG integration was used to **maximize the effectiveness and sustainability of development results**. USAID staff from various technical offices mentioned that they liked DRG approaches because of their potential to create more local ownership of development processes, and to focus on building the capacity of local stakeholders to sustainably engage in the service delivery process.
2. Mission staff saw integration as a way to **strengthen USAID's ability to effectively respond to varying political contexts**. Because DRG officers work closely with a broad range of government actors and study political contexts carefully, they can help other sectoral colleagues effectively integrate greater responsiveness and accountability in their programs without jeopardizing overall program implementation.
3. Case study missions engaged in DRG integration to **address governance issues that prevented sectoral programs from achieving their objectives**. This last objective was particularly prominent in the environment and agriculture/food security sectors, where sectoral projects incorporated DRG approaches as a practical means for tackling corruption, weak law enforcement, and poor government planning and management capacity.

**Addressing Diverse Country Contexts:** The six missions visited present varied political and economic contexts. Interviews, however, converged to identify two main factors—political openness and general level of active government engagement in social development—that inform DRG integration strategies.

One important finding from the case studies is that DRG and other sector teams have developed successful DRG integration strategies that adapt to these contexts and can work even in restrictive political environments. Each context provides opportunities as well as challenges for DRG integration. Examples of DRG integration strategies from the case study research are as follows:

- **Introducing social accountability concepts and tools.** All case study missions utilized this approach, employing DRG related tools that promote the PITA principles into sectoral programming, such as community score cards, health governance boards, parent teacher associations, multi-stakeholder forums, and community learning and actions centers.
- **Ensuring the value add of DRG approaches to sectoral programs.** All DRG teams at case study missions worked with colleagues in other technical offices to identify entry points in current or future programming where DRG integration could add value, such as through increasing stakeholder ownership and addressing corruption or weak governance.

- **Building internal capacity of service delivery NGOs.** All missions worked with CSOs within a variety of sectors to build technical capacity and improve internal management systems to deliver high quality and inclusive services.
- **Building capacity of advocacy and rights focused NGOs.** In addition to strengthening the institutional capacity of CSOs, some missions have added advocacy components to their capacity building projects. This includes Leer y Aprender in Guatemala, which incorporates civic engagement into a literacy program, as well as USAID/Indonesia's PRIORITAS project which promotes CSO collaboration with other stakeholders and partners to create a more inclusive learning environment.
- **Capitalizing on decentralized contexts to improve service delivery.** This strategy was primarily used in Indonesia, Guatemala, Nepal and Malawi, countries with less restrictive political environments and varying levels of commitment to social development. DRG integrated projects are working directly with local governments to strengthen the latter's ability to plan, manage, budget, and deliver for high quality and transparent services in education, sanitation, health and other sectors.
- **Introducing rights-based approaches to social services.** As politically open countries with lower government commitment to social development, USAID/Indonesia has created programs that address lesbian, gay, bisexual, transgender, and intersex (LGBTI) rights issues, whereas USAID/Guatemala works on Gender and Youth issues in its Nexos Locales project.
- **Using "Rule-of-Law" approaches to address corruption impact on development challenges.** Indonesia and Guatemala, politically open countries with a lower commitment to social development, both had USAID projects that worked with local law enforcement groups and CSOs on a broad range of issues from organized crime to biodiversity management.
- **Promoting evidenced-based policy making.** This approach was used particularly in politically restrictive countries such as Ethiopia and Rwanda, where missions took advantage of the host government's commitment to social development to push policy reforms that allowed for better accountability, land rights, and social inclusion.
- **Building the capacity of democratic institutions to develop policies addressing development challenges.** Missions were able to take advantage of political progress achieved in both Malawi and Nepal. USAID/Malawi is working with newly elected leaders and civil society actors through its Malawi Electoral and Decentralization Activity (MEDA), whereas USAID/Nepal's Singha Durbar program works through television and radio programs to show how governance relates to agriculture, health, climate change, disaster management, and other themes.

**Addressing USAID Institutional and Funding Factors:** For several years there was a downward trend in USAID DRG funding, particularly in Africa, and many of the case study missions (Guatemala and Nepal are exceptions) experienced funding declines or fluctuations in accordance with this trend. DRG teams with little to no DRG funding find themselves in a weak negotiating position when advocating for DRG integration. Soliciting other technical offices to fund or support DRG integration seems to undermine the integration efforts. Conversely, DRG teams in Guatemala, Indonesia, and Nepal that receive higher levels of DRG funding are in a stronger position to effectively leverage other sectors' funding, and their efforts are viewed as more credible and sincere.

In addition, DRG teams face difficulty leveraging other sector funding due to the high percentage of Presidential Initiative and earmarked funds, the usage of which is often inflexible (or perceived to be)

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since they are tied to specific financial and technical reporting requirements. Most of the case study missions, with the exception of Nepal and Guatemala, had 98% or more of their funding tied to earmarks and initiatives.

In the midst of this operating environment, case study missions have developed creative ways for dealing with institutional constraints and successfully pushing forward to manage DRG integration.

These include:

- ***Embedding DRG integration within the CDCS.*** All CDCS processes in the case study missions reflected on the need for DRG integration. Examples include governance as a cross-cutting Support Objective; choosing Development Objectives (DOs) that reflect broad development challenges across several sectors; choosing mostly sectoral DOs that incorporate a cross-cutting mandate while keeping a DRG focused DO; and having integration across sectors (including DRG) as the central theme of the CDCS and incorporating co-location, coordination, and collaboration between USAID, host governments, and other development partners.
- ***Appointing DRG integration advisors.*** USAID/Ethiopia created a Senior Cross-Cutting DRG Advisor position to spearhead DRG integration efforts throughout the mission. As a result of the Advisor's dialogue with other sectors, there are more instances of cross-sectoral engagement with the DRG team that moves beyond mere consultation, which has helped sectoral colleagues gain a better understanding of DRG principles and their potential for improving sectoral work.
- ***Creating DO teams in addition to technical offices.*** During CDCS development, USAID/Indonesia opted to keep its technical offices, but created cross-cutting DO teams that bring together staff from all relevant technical offices.
- ***Pooling sectoral funds to provide mission-wide capacity-building services that feature DRG principles.*** In Rwanda, Malawi, and Ethiopia, sectoral funds were pooled to provide capacity building services. In addition, beneficiaries received trainings on evidence-based policy, social accountability or advocacy.
- ***DRG officers participating in other sectoral project appraisal document (PAD) design.*** Five of the case studies use the PAD design process as a specific entry point to integrate DRG principles into other sectors' programming.
- ***Creating opportunities for collaboration and learning among implementing partners.*** USAID/Malawi organized a series of facilitated meetings including two IP brainstorming meetings to discuss approaches and opportunities for integration as well as two "Speed Dating" sessions where partners were encouraged to identify activities for integration.
- ***Introducing "windows of opportunities" clauses to provide more flexibility in contracts.*** USAID/Malawi Contracts Office utilizes this contract clause in a funding mechanism to give implementing partners the flexibility to implement integration and other cross-cutting activities that were not originally foreseen.
- ***Introducing integration/coordination requirements in contracts and consulting agreements.*** USAID/Ethiopia uses project co-location, as well as joint planning, implementation, and learning mechanisms, and a joint Steering Committee involving the AOR/CORs from all concerned projects.

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As an organization, USAID has moved toward promoting adaptive approaches. However, the lack of flexibility (or perceived flexibility) in the use of various types of funding is a major impediment to practicing adaptive management. Most DRG integrated programs do not have the flexibility to respond to changing local priorities or conditions by adapting their programs, as they must implement in accordance with the stream of funding and guidance from Washington DC.

**Conclusions:** The case studies, though not intended to be representative of all missions’ experiences, reveal a great deal about USAID’s efforts to “do development differently.”<sup>1</sup> Importantly, DRG integration is a complex process and there is no one-size-fits-all method for its effective implementation. Actors looking to engage in DRG integration must first make efforts to understand country-specific social, cultural, and political contexts, as well as the local USAID mission’s human and institutional resources.

**Table i: Top-down vs bottom-up approaches to DRG integration**

	<b>Top Down</b>	<b>Bottom Up</b>
<b>Features</b>	<ul style="list-style-type: none"> <li>- Integration mandate in the CDCS</li> <li>- Front and Program Offices advocate and arbitrate integration</li> <li>- Implementing partner contracts provide mandate for integration</li> <li>- Formal coordination mechanisms put in place and supported</li> </ul>	<ul style="list-style-type: none"> <li>- Integration happens spontaneously (meeting of the minds)</li> <li>- Integration responds to challenges identified as a result of implementation</li> <li>- Coordination can be informal as focus is on creating opportunities for integration</li> </ul>
<b>Pros</b>	<ul style="list-style-type: none"> <li>- Results framework in the CDCS</li> <li>- Lines of accountability are clear</li> <li>- Whole of Mission responsible for success</li> </ul>	<ul style="list-style-type: none"> <li>- Promotes ownership of concerned stakeholders</li> <li>- Flexible and leaves room for innovation</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>- Buy in from technical offices could be forced</li> <li>- Risk of integration/coordination fatigue</li> <li>- Could place USAID officers in position to choose between Mission and Washington directives</li> </ul>	<ul style="list-style-type: none"> <li>- Integration likely to be ad-hoc, not systematic</li> <li>- Current institutional environment not conducive to collaboration (need support from Mission top leadership)</li> </ul>

The case study research supports the notion that both bottom-up and top-down approaches are needed to ensure vibrant integration efforts. The six case studies also produced a number of important lessons concerning DRG integration.

These include:

- **DRG integration is most effective when supported by DRG funding.** The decrease in DRG funding that took place worldwide undermines DRG teams’ ability to drive the integration process. DRG funding is one of the only sources of funds that comes with fewer strings attached, and is an essential element of an effective DRG integration strategy as it enables DRG officers to leverage funding and support their sectoral colleagues in implementing activities or DRG approaches they may not otherwise implement.

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<sup>1</sup> See, for example, the work of Matt Andrews and others on DDD at <http://doingdevelopmentdifferently.com>

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- **DRG specialists need to deepen their understanding of sector-specific concerns.** DRG practitioners must show that they understand sector specific language, issues and goals so that they provide relevant DRG solutions to evolving sectoral challenges.
- **DRG tools and approaches can promote cross-sectoral integration.** The DRG offices in the visited missions played a critical leadership role in using governance/rights approaches to promote integration across sectors.
- **Earmark and initiative owners will sometimes accept compelling arguments for integrated programming.** Among the missions visited, USAID/Indonesia stands out for their strong push-back on Washington requirements for usage of funds. The Mission used as an argument that the Indonesia CDCS resulted from an in-depth consultative process with country stakeholders that had clearly identified key priorities for USG engagement.
- **Mission Leadership is essential.** A reoccurring theme throughout the case studies is the importance of Mission leadership for promoting DRG integration. The most successful DRG integration efforts documented in this report were all supported by strong Front Offices and Program Offices convinced of the importance of DRG issues across their mission's portfolio.
- **There needs to be a commonly understood purpose for integration.** For DRG integration to be successful, it is important that implementing partners and USAID staff clearly delineate what DRG integration means, what specific problems it is addressing, and how it will help resolve these problems. It is particularly important to set realistic expectations and goals that are tied to measurable results.

# I. INTRODUCTION

**Overview:** The Democracy, Human Rights, and Governance (DRG) Center for Excellence within the United States Agency for International Development (USAID) has undertaken a series of initiatives to gather information on Agency efforts to integrate DRG principles and approaches into strategy development, project design, and program implementation. As part of this effort, the DRG Center contracted Social Impact (SI), Inc., and its partner, RTI International, to implement the Cross-Sectoral Programming (CSP) Support Task Order (TO). The purpose of the CSP Support TO is to assist the DRG Center in the promotion of cross-sectoral programming through targeted research as to what constitutes and supports more effective DRG integration, identifying ways to encourage more collaborative design and activity, and creating an evidence-base documenting the effects of DRG integration.

As part of the project, SI conducted six case studies of DRG integration at USAID missions in Ethiopia, Rwanda, Indonesia, Malawi, Guatemala, and Nepal. The six country case studies, selected to illuminate USAID-wide diversity of experience in DRG integration, are specifically intended to:

- (a) Explore the factors and processes that have enabled or constrained DRG integration at the mission and project levels;
- (b) Consider the extent to which cross-sectoral approaches are producing development results; and
- (c) Identify which aspects of these approaches are most promising for planning future DRG integration programs.

**Methodology:** Data collection methods for the case studies included a desk review of key background documents, a mixture of group and individual key stakeholder interviews, and, when possible, site visits to speak with local partners and/or project beneficiaries. Fourteen discrete research questions guided the design of the individual and group interview protocols in the study, and informed the analysis found in this report (**Annex A**). These research questions in turned helped inform the ten general questions that provided the backbone of the semi-structured method utilized to conduct the stakeholder interviews. These ten principal questions are as follows (the interview protocol is appended as **Annex B**):

1. To what extent are DRG principles and approaches integrated into your sector's programs?
2. What country factors influence (positively or negatively) DRG integration in your sector?
3. What institutional factors (mission level and relation with Washington) influence (positively or negatively) DRG integration in your sector?
4. What are the key DRG approaches/methodologies used in your programs?
5. What is the extent of collaboration between your sector and the DRG team?
6. How is the integration effort managed/coordinated at the mission or project level?
7. Is DRG integration leading to improved outcomes in your sector?
8. How has that impact (or lack of impact) been documented? How confident are you that DRG interventions played a role?
9. What are the main barriers to DRG integration? What can be done to remove these barriers?
10. What are the main lessons learned from your experience integrating DRG into your sector?

The six case studies varied in terms of case study team composition, duration of fieldwork, number of distinct data collection events, and stakeholder groups interviewed. All case study teams included at least one SI/RTI researcher, and at least one member of the DRG Center, and at least two case study team members were present at each stakeholder interview. For all case studies, stakeholder groups included USAID staff (i.e., Front Office, Program Office, Technical Offices, Office of Acquisition and Assistance, Office of Financial Management) and implementing partner staff. Depending on a mission's

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relationship with the host country government and other partners, as well as logistical factors, some but not all of the case study teams interviewed host country government representatives, other donors with relevant DRG programming, and US Embassy staff. On average, in-country field work lasted approximately two weeks.

Each case study team complemented the primary data collection with a document review of key background documents prior, during, and/or after in-country fieldwork. Documents included the Mission Country Development Cooperation Strategy (CDCS) and associated assessments; the Mission Performance Management Plan (PMP); relevant project descriptions, annual and/or quarterly reports, and work plans; and selected pieces of research on the countries' social, political, and economic context and U.S. Government (USG) policy. In addition, selected documents from the missions or implementing partners that were procurement sensitive or otherwise non-public or proprietary in nature were shared with the USAID members of the case study team, who in turn determined what substance from those documents could be shared with the non-USAID team members.

**Table I** provides an overview of the case study fieldwork and methodology for each mission.

**Table I: Case Study Methodology Summary**

<b>Case Study Mission</b>	<b>Case Study Team</b>	<b>In-country Primary Data Collection Dates</b>	<b>Data Collection Methods</b>	<b>Stakeholder groups interviewed</b>
Ethiopia	<ul style="list-style-type: none"> <li>● James Fremming (SI)</li> <li>● Christian Arandel (RTI)</li> <li>● Jean-Camille Kollmorgen (SI)</li> <li>● Marissa Bell (RTI)</li> <li>● Heela Rasool (DRG Center)</li> </ul>	March 2-13, 2015	32 individual and group interviews, including project site visits in Amhara region; desk review	USAID/Ethiopia staff, US Embassy staff, implementing partners, other local partners, project beneficiaries, GoE, other donors
Rwanda	<ul style="list-style-type: none"> <li>● Dennis Marotta (SI);</li> <li>● Marissa Bell (RTI);</li> <li>● Lisa McGregor-Mirghani (DRG Center);</li> <li>● Rosarie Tucci (DRG Center)</li> </ul>	May 8-22, 2015	23 individual and group interviews, including site visits; desk review	USAID/Rwanda staff, US Embassy staff, implementing partners, project grantees, GoR, other donors
Indonesia	<ul style="list-style-type: none"> <li>● Christian Arandel (RTI)</li> <li>● Isadora de Latour (SI)</li> <li>● Chris Demers (DRG Center)</li> </ul>	May 27-June 10, 2015	31 individual and group interviews, including site visits in Makassar, South Sulawesi; desk review	USAID/Indonesia staff, implementing partners, project beneficiaries, GoI, other donors
Malawi	<ul style="list-style-type: none"> <li>● Malcolm Russell-Einhorn (SI)</li> <li>● Marissa Bell (RTI)</li> <li>● Lisa McGregor-Mirghani (DRG Center)</li> </ul>	November 8-22, 2015	24 individual and group interviews; desk review	USAID/Malawi staff, implementing partners, local organizations, GoM
Guatemala	<ul style="list-style-type: none"> <li>● Christian Arandel (RTI)</li> <li>● Isadora de Latour (SI)</li> <li>● Katharine Dow (DRG Center)</li> </ul>	December 7-16, 2015	23 individual and group interviews, including site visits in Flores, Peten; desk review	USAID/Guatemala staff, field coordinators, implementing partners, project beneficiaries

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Case Study Mission	Case Study Team	In-country Primary Data Collection Dates	Data Collection Methods	Stakeholder groups interviewed
Nepal	<ul style="list-style-type: none"> <li>• Marissa Bell (RTI)</li> <li>• Laura Ahearn (USAID)</li> <li>• Jayce Newton (DRG Center)</li> </ul>	January 25-February 5, 2016	41 individual and group interviews, including site visits in Nepalgunj; desk review	USAID/Nepal staff, implementing partners, local groups/project beneficiaries, other donors

Individual case study summaries are additionally provided in **Annex E**.

**Purpose:** The purpose of this synthesis is to elucidate key themes and lessons learned from the six case studies regarding how and why USAID missions are engaging in DRG integration. This report is intended for consumption by USAID missions, USAID/Washington, USAID partners, the donor community, and other entities interested in understanding the practicalities of DRG integration and the potential it has on program planning, implementation, and impact.

This case study report is framed in five parts, with the first being the introduction. Part II of the synthesis defines DRG integration and its drivers. Part III describes the ways DRG integration has unfolded at the case study missions depending on the country context, including specific strategies missions have used to implement and manage integration efforts. Part IV describes the ways Agency funding and organizational factors have influenced DRG integration, and how missions have worked within these boundaries. Finally, Part V offers a set of summary conclusions drawn from case study findings. The reader is reminded that, as the case studies are a fact-finding research endeavor, this report does not include recommended actions for USAID missions or USAID/Washington; rather, suggestions are offered as food for further thought.

The case study teams wish to extend their sincere gratitude to the staff and partners of the USAID missions in Ethiopia, Rwanda, Indonesia, Malawi, Guatemala, and Nepal, and especially to the missions' DRG teams,<sup>2</sup> for their generous support and hospitality to the case study teams while in-country.

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<sup>2</sup> While USAID/DCHA now recommends that Operating Units use the "DRG" designation in naming their technical offices, "DG" was commonly used previously and some of the case study missions still utilizes this naming convention. The report uses the Agency preference of DRG, but acknowledges that missions' use of "DG Office" was in practice at the time of the case study research.

## II. THE CASE FOR DRG INTEGRATION

### A. DEFINING DRG INTEGRATION

The 2013 USAID Strategy on Democracy Human Rights and Governance defines DRG Integration as “the application of DRG principles and practices to address political-economic obstacles in other sectors and thereby improve overall development outcomes. The integration of DRG principles and practices in other sectoral programs also expands the scope of both citizen participation and government accountability.”<sup>3</sup> Under the 2013 DRG Strategy, DRG integration is one of four Development Objectives (DO) that, together, contribute to achieve the overall Goal to “Support the establishment and consolidation of inclusive and accountable democracies to advance freedom, dignity, and development.”<sup>4</sup>

USAID’s DRG Center identified four main DRG principles that underpin integration: Participation, Inclusion, Transparency and Accountability (PITA). The hypothesis behind DRG integration is that these principles can be incorporated into sectoral interventions and that doing so will improve overall outcomes. Examples of the application of the principles include:

- **Participation:** Agriculture extension officers consult farmers’ unions to in the planning and implementation of their services and seek to understand the challenges their members face and how they can better serve them.
- **Inclusion:** School authorities work with CSOs, PTAs and local governments to develop strategies to improve access to school for girls and children coming from marginalized communities.
- **Transparency:** Local clinics post information about patient rights, service fees and standards, and budget execution.
- **Accountability:** CSOs hold government accountable for the sustainable and equitable management of natural resources.

As shown through the above examples, DRG integration aims at addressing issues and challenges that are commonly faced by USAID programs worldwide. In the long term, DRG integration aims at promoting more open and democratic societies as stated in the above-mentioned DRG Strategy Goal; but in the short term it is a pragmatic, problem-solving approach.

DRG integration is a part of the broader menu of opportunities for development professionals to collaborate and share areas of sectoral expertise to address development problems that themselves are manifest in more than one technical subject area. This is recognized in major USAID policy documents. The *USAID Policy Framework 2011-2015*, for example, calls for cross-sectoral integration with other sectors and identifies cross-cutting approaches to climate change, the health/nutrition/agriculture nexus, and similar efforts in other sectors. Cross-sectoral issues and initiatives (e.g., a country gender and female empowerment assessment) often are in themselves “DRG integrated” in the sense that they

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<sup>3</sup> United States Agency for International Development. (2013). *Strategy on Democracy Human Rights and Governance*, Annex I, Key terms, p. 37.

<sup>4</sup> *Ibid*, p. 14

typically incorporate principles or tools that address DRG concerns such as local accountability, governance effectiveness, or inclusion of marginalized populations.

Finally, DRG integration is aligned with the Doing Development Differently (DDD) global initiative that aims at engaging in a dialogue on how to make development aid more responsive and effective.<sup>5</sup> DDD builds and helps operationalize the 2011 Busan principles adopted as the result of the High Level Forum on Aid Effectiveness held in Busan, South Korea.<sup>6</sup> DDD principles include: focusing on local problems that are locally defined; legitimizing reforms at all levels and building ownership; working through conveners to mobilize all stakeholders; blending design and implementation through rapid cycles of planning, action and learning; and foster real results.<sup>7</sup>

In a recent report, ODI sums up these principles as follows:<sup>8</sup>

- “Work in a politically informed, politically smart and problem-driven way;
- Take an adaptive or entrepreneurial approach, and
- Take action that is locally led.”

DDD and DRG integration approach development from different vantage points but they converge in their objectives to build local ownership, foster accountability, and promote responsive and sustainable interventions. As the case studies illustrate, this is one of the main added values of DRG integration.

## B. THE ADDED VALUE OF DRG INTEGRATION

In Malawi, Nepal and Guatemala, the CSP case study research teams heard a familiar refrain that could be summed up as follows: “After so much social sector investment over so many years, why are we still so far behind? Why is the government still so dependent on foreign aid? Why do socio-economic indicators continue to be so poor?” While discussing challenges faced by different technical offices, DRG concerns featured prominently: lack of political will, poor decision-making and planning processes, corruption, patronage networks, insufficient engagement, and lack of accountability. In some instances, the answer to the above questions was simply “poor governance.”

DRG integration does not offer a silver bullet to solve the above problems. These are ingrained and complex issues shaped by deep cultural, socio-economic, political and historic factors. To gain better grasp of these issues, DRG integration practitioners can use a wide range of assessment methodologies that can help contextualize interventions and ensure that important enabling or constraining factors are fully taken into consideration at different stages of programming. These include:

*“Programs are not addressing the root causes of famine. We’re doing the best to protect these communities, but we’re not doing anything to transform them to sufficiency. It’s governance at the end of the day that causes famine.”*

--ALT Team member, Ethiopia

<sup>5</sup> See, for example, the work of the Overseas Development Institute: <http://www.odi.org/doing-development-differently-0> (retrieved 27 March 2016).

<sup>6</sup> <http://www.oecd.org/development/effectiveness/49650173.pdf>

<sup>7</sup> The DDD manifesto can be found here: <http://doingdevelopmentdifferently.com/the-ddd-manifesto/>

<sup>8</sup> Leni Wild, David Booth, Clare Cummings, Marta Foresti, Joseph Wales, *Adapting development, Improving services to the Poor*, ODI, February 2015.

- **Applied Political Economy Analysis (PEA):**<sup>9</sup> The DRG Strategy explains that a PEA “explores the interaction of political and economic processes in a society, the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time (OECD DAC). PEA enables understanding of pressures for or against development efforts and reforms, such as reducing corruption or decentralizing service delivery. PEA can be conducted at country, sector, or project level.” The DRG Center has designed and piloted an Applied PEA approach and training that enables USAID staff and partners to explore the reasons why things are happening in the development context and design programmatic solutions or adjustments to current activities.
- **The Local Systems Framework:** The Framework helps understand how service delivery systems transform resources into outputs and identify strengths and weaknesses in the systems; what roles various actors play in the system and what type of relation these actors have developed; what rules, formal and informal govern the system; and what are the main outcomes and results of the systems.<sup>10</sup>
- **Anti-corruption assessments** aim at better understanding the causes and manifestations of corruption in specific countries and/or sectors in order to develop strategies to reduce its impact on development intervention. It looks at legal and institutional frameworks, political economic dynamics and the effectiveness of existing anti-corruption efforts.

These frameworks and assessment methodologies, and others in use within USAID, can help shape development interventions across sectors through thorough assessments of how contextual factors enable or constrain the achievement of development outcomes. They are operationalized through a broad palette of tools and approaches that aim at integrating the PITA principles into project implementation. These tools and approach are too numerous to mention here but they include participatory strategic planning, participatory and gendered budgeting, social accountability tools, a gender and youth inclusion strategies, CSO advocacy capacity development, local government service improvement methodologies, and media and communication strategies. DRG integration assessment tools can help identify which tools and approaches are best suited to achieve specific objectives in a given context and how they should be piloted to test their effectiveness.

As indicated above, DRG integration is not a quick fix. It is important for DRG officers and their sectoral colleagues to identify clear and realistic objectives that can be achieved through DRG integration. This begins with building a common understanding of what specific problems need to be solved and how they affect development outcomes.

### **C. DRIVERS OF DRG INTEGRATION (THE PROBLEMS)**

While conducting the research for the case studies, the CSP research team heard a wide number of reasons why USAID missions strove to integrate DRG across their portfolio. The researchers found that many of these drivers reflect an understanding that traditional sector-driven approaches to development, though they may have achieved remarkable impact, are yielding diminishing returns and are often not sustainable. As a result, “development needs to be done differently.”

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<sup>9</sup> Strategy on Democracy Human Rights and Governance, Annex I, Key Terms, p. 37

<sup>10</sup> Local Systems: A Framework for Supporting Sustained Development, USAID, April 2014, p. 8.

Thus, while the objectives behind a USAID Mission's decision to engage in DRG integration vary, the researchers found that they belong in three broad categories:

- (a) Maximizing the effectiveness and sustainability of development results,
- (b) Strengthening USAID's ability to effectively respond to varying political contexts, and
- (c) Addressing governance issues that prevent sectoral programs from achieving their objectives.

**Maximizing the effectiveness and sustainability of development results.** All Missions visited by the case study teams concurred to varying degrees that they viewed DRG integration as a means to promote more effective and sustainable development. This sentiment tended to be most vocally expressed by the Missions' top leaders. The research teams documented a sense of frustration that Missions in these countries were still involved in direct service delivery and had yet to develop sufficient capacity for local actors to deliver basic services. DRG approaches appeared to be particularly valued for their potential to create more local ownership in development processes and for their focus on building the capacity of local stakeholders to sustainably engage in the service delivery process. DRG integration thus leveraged efforts across sectors. In the words of a USAID/Rwanda staff member, "In reality, DRG integration is helping teams to understand if you work on your own, you are limited in information, access and decision making. Yes, there is added value in integrated efforts: programmatic complementarity, improved coordination, and maximized resources."

This motivation is reflected in USAID/Ethiopia justification for including a cross-cutting Support Objective (SO) focused on an improved governance environment in their CDCS was that "incorporating conflict sensitivity, and social accountability into development activities at the community level wherever possible and appropriate will improve both the effectiveness and the sustainability of the activities."<sup>11</sup> In Indonesia, the CDCS addresses the country's internal development gaps by focusing on governance (including corruption) and strengthened capacity for service delivery. Guatemala's initial approach was a strong focus on cross-sectoral integration in the Western Highlands that included DRG integration as part of the approach.

*"Our office doesn't have [social accountability] capacity beyond a lay person's perspective. So having someone whom we can invite to participate is a huge contribution over the long term."*

--Manager of USAID/Ethiopia's Productive Safety Net Program, referring to assistance from the Mission's DRG Cross-Sectoral Advisor

**Strengthening USAID's ability to effectively respond to varying political and socio-economic contexts.** As further developed in the next section, USAID Missions work in a wide range of political and socio-economic contexts that have an important impact on technical offices' ability to achieve results. Closed political spaces offer limited options for sectoral programs to meaningfully engage citizens in their programs. In the words of a US Embassy Officer in Ethiopia, "the challenge is to engage in the [limited political] space creatively and look for the long term issues." Because they work closely with a broad range of government actors and study political contexts carefully, DRG officers can help sectoral colleagues integrate greater responsiveness and accountability in their programs without risking overall program implementation. The applied PEA methodology and Local System Framework can help identify and address the key bottlenecks that hamper the effectiveness of service delivery systems.

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<sup>11</sup> The United States Agency for International Development. (2012). *Country Development Cooperation Strategy 2011 - 2015*, p. 5.

**Addressing specific governance issues that prevent sectoral programs from achieving their objectives.** While all technical offices that contributed to the research identified specific DRG issues that had a negative impact on their ability to achieve their objectives, two sectors stand out: Environment and Agriculture/Food Security.

The linkage between DRG issues and sound environmental management was highlighted most vividly in Indonesia, Guatemala and Nepal. As further explained in the next section, environmental specialists and activists in both countries understand that environmental degradation results from deep seated governance problems such as corruption, weak law enforcement, and poor government planning and management capacity. They also understand that DRG approaches and principles can help address these issues. The USAID/Indonesia Mission supported efforts to strengthen community management of natural resources (forest and fisheries) that show when they have stake in the process, poor communities can be the strongest defenders of the environment. In the report, the researchers further describe how the interventions of a Rule of Law program in Guatemala's Maya Biosphere have helped roll back impunity for precious timber and wildlife traffickers.

Similarly, the impact of poor governance on food security and agricultural development was well understood in Ethiopia. While droughts and overpopulation are often blamed for famines, it is well understood—at least since Amartya Sen's 1983 landmark book on the topic<sup>12</sup>—that famines happen only when poor governance, internal politics and conflicts as well as market failures provide a fertile ground. As indicated in the next section, Ethiopia's Assets and Livelihoods in Transition (ALT) team sensed that they were not very well equipped to address these root causes of food security and worked with their DRG colleagues to integrate social accountability into their interventions and thus build greater feedback mechanisms and local ownership.

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<sup>12</sup> Sen, A. (1983). [\*Poverty and Famines: An Essay on Entitlement and Deprivation\*](#). Oxford: Clarendon Press.

## III. ADDRESSING DIVERSE COUNTRY CONTEXTS

Integrating DRG across sectors takes place in many different contexts, each of which presents specific challenges and opportunities. While the countries selected for the case studies are not a representative sample of all country situations, they offer a broad range of circumstances that development professionals are regularly confronted with when designing and implementing DRG or sectoral programs.

### A. MAIN COUNTRY FACTORS INFLUENCING DRG INTEGRATION

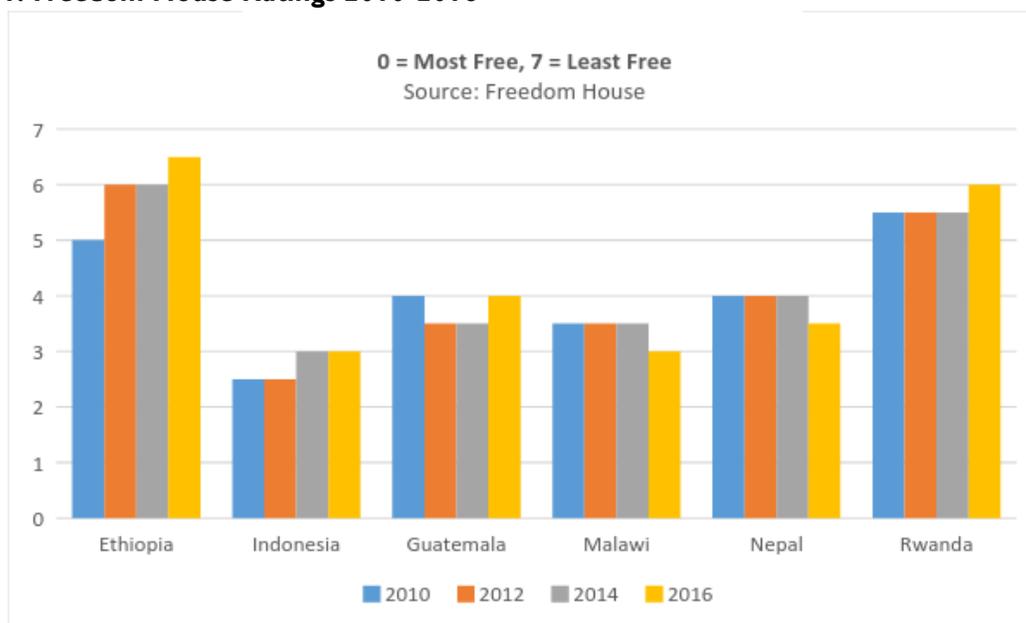
When the case study teams asked key stakeholders about the main country factors that shaped their DRG integration strategies, stakeholders often pointed to the degree of openness of the political space afforded by governments to work on DRG issues, as well as the level of governments' overall engagement in social development. This is not a surprising finding as it is well understood that DRG approaches need some democratic breathing space to flourish and that the success of social development interventions depends on national and local authorities' dedication to promoting the wellbeing of their citizens. What the case study teams found most revealing, however, is how the complex interplay among these factors shape missions' DRG integration strategies.

#### i. Opening vs closing space: how do the case study countries fare?

Freedom House rated the six case study countries from “partly free” to “not free” in 2016. **Exhibit I** below shows that with ratings of 6 and 6.5 respectively in 2016 Rwanda and Ethiopia were the least free countries and that both have regressed since 2010, with Ethiopia backsliding the most significantly. Ratings for partly free case countries have remained relatively stable with Malawi and Nepal showing moderate improvements and Indonesia and Guatemala slight declined in their ratings (Indonesia lost its “free” rating in 2014).<sup>13</sup>

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<sup>13</sup> It is not clear if the 2016 rating took into consideration the result of the 2015 election in Guatemala. The case study team got the sense through the interviews with key stakeholders that Guatemala was making progress regarding political freedom and in fighting against corruption.

**Exhibit I: Freedom House Ratings 2010-2016**

While the Freedom House ratings provide a useful snapshot of the situation regarding the political space within which USAID missions operate, they do not reflect the complexity and fluidity of political, legal, economic, and cultural spaces that drive programmatic strategies. The case study research confirmed that “opening spaces” offer a broader range of options for DRG programming. At the same time, the teams also found that closing spaces encouraged more “thinking outside the box” from DRG specialists and their colleagues working in other sectors to find entry points for DRG programming.

**ii. Country engagement in social development**

A country’s commitment to improving the lives of their citizens can indirectly be gauged by the progress they made in achieving their Millennium Development Goals (MDGs). In this respect, as shown under **Annex C**, all case study countries made significant progress toward achieving their MDGs. The countries that started from the lowest levels of social development made the most progress. This is particularly true case for the three case study countries in Africa -- Ethiopia, Malawi and Rwanda -- all three made significant progress on all indicators. Meanwhile, the more advanced economies, such as Guatemala and Indonesia, appear to have made relatively less progress in ensuring that all of their people benefit from economic growth. This is particularly true regarding maternal mortality and undernourishment targets.

These indicators do not tell the whole story. Key stakeholders within the case study missions, implementing partners, and other interviewees provided strong insights regarding their perceptions of the level of commitment to social development in each country. Rwanda and Ethiopia emerged as the countries with the strongest commitments to improving living conditions for their citizens. Meanwhile, Indonesia and Guatemala were criticized by some stakeholders for their relatively poor performance and varying commitment to more broadly sharing the dividends of economic growth.

## B. DRG INTEGRATION STRATEGIES APPLIED TO SPECIFIC COUNTRY CONTEXTS

The case study countries fall into three broad scenarios when it comes to political openness and commitment to social development:

- Closing spaces with higher levels of commitment to social development (Ethiopia and Rwanda);
- Opening spaces with lower levels of commitment to social development (Indonesia and Guatemala); and
- Opening spaces with medium-to-high levels of commitment to social development (Nepal and Malawi).

These categorizations are fluid and are somewhat subjective, especially when assessing a country's commitment to social development. A consensus emerged from case study interviews that some countries were particularly aggressive and dedicated to social development (Ethiopia and Rwanda) while others seemed to lack the political will to effectively bridge social and economic gaps (Indonesia and Guatemala).

It is likely that USAID DRG officers, as well as those from other technical offices, will find these three scenarios familiar and relevant to the country contexts in which they are operating. **Table 2** provides a summary of the main DRG integration strategies documented as part of the case study research. Most of the strategies are potentially applicable in many contexts, though closed political spaces require more attention to potential political implications.

**Table 2: DRG integration strategies and their applicability to various contexts<sup>14</sup>**

DRG integration strategies	Applicable to			
	Political context		Social development	
	Open	Closed	High	Low
Introducing social accountability concepts and tools	2	3	2	3
Ensuring relevance of DRG approaches to sectoral programs	3	3	3	3
Building internal capacity of service delivery NGOs	2	3	3	2
Building capacity of advocacy and rights focused NGOs	3	1	2	3
Capitalizing on decentralized context to improve service delivery	3	1	3	3
Introducing rights-based approaches to social services	3	1	2	3
Build capacity of democratic institutions to develop policies addressing development challenges	3	0	3	2
Use a “rule-of-law” approach to address corruption impact on development challenges	3	0	3	3
Using evidence-based policy-making to introduce DRG approaches	3	3	3	3
Empowerment of minority and marginalized groups to influence decision-making processes.	3	1	2	2

<sup>14</sup> 0 = not relevant/applicable (potentially counterproductive); 1 = possibly relevant but need to proceed with caution and assess risks; 2 = relevant/applicable; 3 = Highly relevant/applicable (potentially most effective)

**i. Scenario I: Closing spaces with high commitment to social development (Ethiopia and Rwanda)**

**Challenges, opportunities, and risks**

Rwanda and Ethiopia both adopted ambitious agendas to lift their populations out of poverty. Rwanda's core development plans are *Vision 2020* and the medium-term *Economic Development Plan and Economic Development and Poverty Reduction Strategy II* (EDPRS II), which aims to accelerate Rwanda's progress to middle-income status and to improve the quality of life through sustained growth and poverty reduction. Ethiopia's *Second Growth and Transformation Plan* (GTP II) features similar objectives as it aims for Ethiopia to become a lower middle income country by 2025. Both countries are widely praised for the momentous progress they have achieved on most social development indicators.

In both Ethiopia and Rwanda, these achievements appear to come at the expense of democratic governance, as the governments used increasingly authoritarian means to build a consensus around their objectives. These governments do not allow for meaningful political opposition, limit media freedom, and put in place laws that constrain civil society. Both countries also share a top-down, government-led approach to economic, political, and social development that leaves little room for meaningful citizen engagement. The 2011 Ethiopia DG Assessment states that EDPRS II aims to create a "development state" dedicated to ending poverty, and criticism of the government's GTP is seen as "opposition to poverty eradication and therefore anti-people."<sup>15</sup>

The combination of these two factors creates two mutually reinforcing challenges for DRG officers desiring to promote DRG integration. **The first challenge** is to identify entry points that help to create a space for meaningful dialogue and engagement that will not be interpreted as an attempt to undermine the country's development agenda. **The second challenge** lies in convincing sectoral colleagues that integrating DRG approaches into their programming is worth the risk. From the perspective of the other sector specialists, they are working with a government with a high level of commitment toward solving development issues and their programs are often doing very well as a result.

However, in both countries DRG officers have been able to capitalize on the governments' dedication to improving the living conditions of citizens and the government's need to monitor the effectiveness of its interventions. The GoR and GoE need a feedback loop to tell them how they are doing and make sure that they are on track to achieving their objectives. Both governments, acting in single-party-dominant states, are also highly focused on ensuring internal stability and preventing unrest. They want to know if citizens are reasonably satisfied and provide specific avenues for citizens to express their sentiments. DRG officers in Ethiopia and Rwanda

In Ethiopia, the Health Sector Finance Reform project integrates DRG approaches through support to GoE's Community Based Health Insurance (CBHI) scheme, and health facility governance boards (FGBs). As a result of these interventions, participation in CBHI and FGBs have increased health facility utilization (especially for women) and communities are holding health facilities more accountable for the quality and level of services. FGB members explained the higher engagement of CBHI by the fact that health care is more affordable and that people "have a stake into the whole system...and are challenging the facilities."

<sup>15</sup> Ethiopia DG Assessment, p. 25.

anchored their DRG integration strategies around broader country development needs with the goal of opening space for citizen engagement and promoting a more open political environment.

***Main strategies used to promote DRG integration***

- ***Strategy 1: Introduce social accountability concepts and tools to promote a more open political space within the framework of countries' development agendas***

This strategy was used most aggressively in Ethiopia where it was pioneered by the World Bank (through their Ethiopian Social Accountability Programs, ESAP I & II) and has gained significant acceptance by the Ethiopian government.<sup>16</sup>

At least five USAID/Ethiopia projects focus on creating or strengthening existing governance mechanisms to promote social accountability. These include the Health Sector Finance Reform Project (HSFR), Pastoralist Areas Resilience Improvement through Market Expansion (PRIME), Reading for Ethiopia's Achievement Development (READ), Land Administration to Nurture Development (LAND), and Implementing Reading Skills, Defining Childhood Dreams (IRS-DCD). In education, the main beneficiaries of the project are the school-level parent-teacher associations (PTAs) that are regarded as the primary mechanism to promote community engagement in this sector. HSFR focuses on strengthening the capacity of health facility governance boards to provide oversight of health center and ensure community engagement in health service delivery. Finally, USAID/Ethiopia recently released a Request for Information (RFI) for a program focusing specifically on social accountability to support programs in other sectors.

USAID/USAID/Rwanda has been more cautious in introducing social accountability as the concept has not yet gained as much acceptance as in Ethiopia. The USAID-supported Akazi Kanoze program integrates DRG elements through the Youth Workforce Readiness curriculum, which includes modules on personal development, interpersonal communication, leadership, and employer/employee rights and responsibilities.<sup>17</sup> These activities promote “soft skills” that uphold the PITA principles and enable beneficiaries to more effectively participate in society.

- ***Strategy 2: Use evidence-based policy making to introduce DRG concepts.***

As “Development States” dedicated to improving the conditions of their people, Ethiopia and Rwanda have a strong interest in making sure their policies are working. The USAID Missions in both countries have taken advantage of this feature to pilot novel approaches and demonstrate their validity. USAID/Rwanda uses evidence-based policymaking in the LAND program and introduced evidence-based advocacy in the HICD program. Likewise, evidence-based policy making was used by the USAID/Ethiopia Mission to promote social accountability across sectoral programs.

- ***Strategy 3: Ensure the relevance of DRG approaches to programs in other technical offices***

Given the strong priority placed by both countries on development objectives, making the case for the relevance of DRG approaches is critical. Both Missions' country strategies aim to support the countries' ambitious development goals as their main objective. Both strategies also incorporate DRG approaches

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<sup>16</sup> It is worth noting that there remains some ambiguity regarding the term Social Accountability. While donors focus on government accountability to citizens, the GoE also appears to include in its definition the accountability of citizens to government for promoting the GTP agenda.

<sup>17</sup> Akazi Kanoze Activity Brochure

in this context, though Ethiopia's CDCS gives it a greater emphasis. The USAID/Rwanda CDCS also provides direction for DRG integration through its DO 2 result statement that calls for "improving conditions for durable peace and development through strengthened democratic processes."

The country strategies thus identify the need for development sustainability as a key rationale for DRG integration. They also highlight enhancing the impact of sectoral interventions. Given the extremely low levels of DRG funding in both missions, this means that the DRG teams, with support from their front offices, are going door-to-door, hat-in-hand, with DRG tools, to seek collaboration with other sector teams.

They have done so with varying degrees of success. USAID/Ethiopia hired a Senior Cross-Cutting DRG Advisor who dedicated significant effort to working with sectoral office. In this way, USAID/Ethiopia probably went the furthest of all the case study missions in convincing sectoral offices of the value add of DRG integration. The DRG Advisor spent significant time with technical offices to understand what they were trying to achieve and how DRG could help them in achieving them. He also went to the field with sectoral teams to better understand their work and participated in PAD and activity design. The fact that the GoR supports social accountability concepts has helped convince the technical teams that the risks for engaging in DRG integration were limited. USAID/Rwanda's DRG team can also claim some achievements in this respect as the Education Office, following a request by the Mission Director, met with the DRG team to integrate of civic engagement and other DRG principles in their programs.

**Successfully advocating for DRG integration entails working with sectoral colleague to Identify entry points where DRG approaches can help:**

- Achieve specific sectoral outcomes that contribute to program "causal pathways" or "value chains;"
- Promote stakeholder ownership for greater sustainability of interventions;
- Address some root causes of development challenges such as corruption or exclusion of certain groups from decision-making;
- Promote collaboration among key stakeholders including CSOs, local community members and government;
- Identify where governance weaknesses undermine service delivery systems effectiveness.

Ensuring accountability for service delivery is an important argument that resonates with many sectors. Other persuasive arguments include:

- (i) Ensuring that services meet actual needs;
- (ii) Mobilizing the community to contribute to services;
- (iii) Understanding the factors that drive community interactions; and
- (iv) Recognizing risks that may lead to conflict.

In Ethiopia, a member of the ALT team working on FFP programs also highlights the demand for approaches that address root causes rather than just the symptoms of critical vulnerabilities. Unfortunately, such arguments do not always carry the day and are confronted with the daily reality of earmarks and initiatives, and the reporting mandates that come with them (see **Part III**).<sup>18</sup>

In Ethiopia, the DRG team used systems thinking to integrate DRG into activities with "homes" in other sectors. Both the education and health sectors are

very familiar with the terminology and this provides a common basis for discussing collaboration as governance issues are often seen as one key dimension of systems.

<sup>18</sup> Interestingly, the ALT team member who made the highlighted statement also said that he could not track the outcomes of governance intervention as he had already too many indicators to report on.

- **Strategy 4: Focus on institutional capacity development for NGOs and government as a means to introduce good governance concepts**

In both Rwanda and Ethiopia, civil society organizations (CSOs) are regarded primarily as vehicles to support the implementation of the states' ambitious development agendas. Ethiopia's recently reformed NGO legal framework imposes significant restrictions on NGOs that want to engage in advocacy, governance, or human rights activities. While Rwanda's legislation is somewhat more liberal in this respect, it requires that NGOs incorporate governmental priorities into their mission. In both countries, the USAID missions identified capacity building for NGOs as a means to incorporate the PITA principles and approaches into sectoral programs.

One example of such programming is the Human and Institutional Capacity Development (HICD) project in Rwanda, which focuses on strengthening the institutional capacity of local NGOs that work in the health, agriculture, and education sectors. HICD also works with the Ministry of Agriculture and Animal Resources (MINAGRI) to increase their effectiveness and inclusiveness as a key government ministry, as well as with the National Capacity Building Secretariat (NCBS). While HICD centers on institutional capacity building, there is also a component that focuses on evidence-based advocacy. In Ethiopia, the Local Capacity Development (LCD) project is housed in the DRG office but serves NGOs working with all USAID technical offices. LCD focuses on improving internal management practices, the effectiveness of service delivery NGOs, and introduces concepts of good governance. In Ethiopia, the Agribusiness and Market Development (AMDE) project implements capacity building interventions to improve the effectiveness of Farmers' Cooperative Unions in serving the needs of their members. All these projects assume that strengthening civil society, even in a restrictive environment, helps to set the stage for more civic engagement at all phases of the development process.

Local capacity development also focuses on building the capacity of government institutions as is the case of the LAND and DFAP (Development Food Aid Program) programs in Ethiopia. LAND builds the capacity of national, regional and local land administration units in participatory planning and conflict prevention, and DFAP focuses on strengthening participatory governance for famine prevention at the *woreda* level.<sup>19</sup>

## ii. **Scenario 2: Opening spaces with lower levels of commitment to social development (Indonesia and Guatemala)**

### **Challenges, opportunities, and risks**

Indonesia and Guatemala have fallen far short of translating their middle income status and democratic advances into broad-based, equitable human development. With a GDP of \$1 trillion, Indonesia is today the world's tenth largest economy in terms of purchasing power parity and is a true regional and global actor. Yet, up to 40 million Indonesians continue to suffer from poverty and live below the international poverty line of \$1.25 per day. Indonesia suffers from poor public health services and consequently maternal and child death rates remain very high at 228 child deaths for every 100,000 live births, and 190 maternal deaths for every 100,000 live births.

Guatemala is a small but heterogeneous country endowed with significant natural resources. The country's population doubled over the past 25 years and now stands at 14 million people. It has some of the lowest human development indicators in the hemisphere, and the highest levels in the hemisphere of

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<sup>19</sup> Ethiopia is a federated state based on ethnicity. The state is divided into 11 Regional States and then further divided into zones, *woredas* and *kebeles*.

chronic malnutrition (49.8%) for children less than five years of age.<sup>20</sup> As described in the CDCS, “Guatemala is sometimes referred to as two-countries-in-one. This metaphor describes the highly stratified society in which exclusion, poverty and chronic malnutrition are inextricably linked.”<sup>21</sup>

Both countries’ underperformance in the social sectors is often attributed to systemic and governance failures. In Indonesia, members of technical offices and mission leadership identified the lack of awareness and political will as the main causes for the country’s poor social development. In Guatemala, the poor return on donor investments in social development was generally attributed to the dominance of a small but powerful economic elite that tends to view marginalized populations as a source of cheap labor, the prevalence of corruption and criminal activities, and overall poor governance practices.

*“The problem is not a technical problem. People don't understand how the situation is different from other countries, how poorly Indonesia performs in social and human development. Mothers don't need to die at such a high rate. It's a public health emergency; 65% of Indonesians seek care outside of the public health system.”*

--USAID/Indonesia Health Office Staff

The experiences in Guatemala and Indonesia are reminders that challenges in inclusiveness and equitable social development can remain even in environments that have experienced democratic advances. However, as Guatemala’s recent political earthquake confirms, democratizing spaces also provide avenues for citizens to peacefully voice their discontent and bring about changes that are not available in countries with more restricted political spaces.<sup>22</sup>

Strategies for DRG integration can thus seize on many opportunities such as:

- A civil society that faces less constraints in working on advocacy and rights issues;
- Decentralization processes that provide significant responsibility to local government in service delivery and local development; and
- The possibility to address Rule of Law (RoL) issues head-on, including corruption, criminality, and social and environmental justice.

### **Main strategies used to promote DRG integration**

The USAID/Indonesia’s 2014-2018 CDCS sought to reconcile the country’s newly acquired regional and global status with its poor performance on human development. To this end, it adopted an integrated strategy that is not organized along sectoral lines but around critical issues that prevent Indonesia from achieving its full development potential. To address internal development gaps, the Mission identified governance (including corruption) and service delivery as its two main foci of intervention.

In Guatemala, DRG integration is embedded in the 2012-2016 CDCS that “hypothesizes that greater security and justice for citizens, improved levels of economic growth and social development in the

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<sup>20</sup> The United States Agency for International Development. (2012). *Guatemala Country Development Cooperation Strategy 2012-2016*, p. 3.

<sup>21</sup> The United States Agency for International Development, *Guatemala Country Development Cooperation Strategy 2012-2016* (March 16, 2012); p. 4

<sup>22</sup> The 2015 elections, and the broad popular mobilization that preceded them, marked a turning point in Guatemala’s political life. Both President Molina and Vice-President Baldetti resigned and were arrested following an unprecedented anti-corruption protest movement that saw regular marches in Guatemala’s cities and culminated in the election of former TV comedian Jimmy Morales, who campaigned on a promise to fight graft.

Western Highlands, and improved management of natural resources to mitigate impacts of global climate change will lead to a Guatemala that is simultaneously more democratic, more secure and more prosperous.” Democratic strengthening is thus stated, not as a DO but as one of the ultimate goals in the CDCS.

Specific strategies used in both or either countries to promote greater DRG integration are described below.

- **Strategy 1: Strengthen capacity for service delivery within a decentralized context**

Indonesia’s far reaching and swift decentralization process contributed to a great deal of confusion regarding roles and responsibilities for delivery of basic services. Clarifying roles and responsibilities between different levels of government was thus a key impetus behind the design of several USAID programs such as the Indonesian Urban Water, Sanitation, and Hygiene (IUWASH) project to support local governments in developing and implementing urban sanitation strategies. Similarly, the Decentralized Basic Education (DBE) programs focused on improving school management and governance, and the quality and relevance of education in primary and junior secondary schools.

In Guatemala, Nexos Locales (Local Governance Project) is one of the several implementing mechanisms under the Western Highlands Integrated Program (WHIP). Its goal is to “strengthen municipalities so they foster more responsive, inclusive and effective socio-economic development while reducing local vulnerabilities such as food insecurity and natural disasters.”<sup>23</sup> Nexos Locales is implemented in five departments and 30 municipalities in the Western Highlands, concentrating on agriculture, health, education, citizen security, and environment.

- **Strategy 2: Use a Rule of Law Approach to address the nexus between development challenges and corruption**

As indicated above, corruption is widely perceived to be a key reason for Indonesia’s and Guatemala’s poor socio-economic performance. While corruption affects all sectors, few feel the impact greater than natural resources management. Both Indonesia and Guatemala are endowed with rich biodiversity that is threatened by illegal activities that feed on corruption and poor governance, including illegal logging and fishing, animal trafficking, and historic heritage looting. The impact of poor governance practices on environmental preservation is well understood by environmental specialists and activists. Some stakeholders compared environmental degradation to “a canary in a mine” (i.e., the result of deeper societal conditions including poverty, corruption, and criminal activity.)

In Guatemala, the Security and Justice Reform Project (SJSRP) was originally designed as a classic rule-of-law program with a strong focus on law enforcement on a broad range of issues including organized crime, femicide, trafficking in persons, domestic violence, and narcotics. In 2014, the project received funding to add an environmental crime component to its statement of work (SOW). The additional scope aimed to address the lax enforcement of environmental laws, especially laws dealing with environmental crimes that undermined

In Petén, Guatemala, SJSRP has successfully advocated for the creation of an Environmental Crimes Court and for reinstating the Office of the Environmental Prosecutor. The new court successfully prosecuted a prominent corporation for toxic leakages in a local river and used the “precautionary principle” to order a halt to the corporation’s activities. The court also collaborated with an animal rescue shelter (ARCAS) and used rescued fauna as evidence to arrest and convict several traffickers.

<sup>23</sup> Section C – Description/Specifications/Statement of Work – USAID/Guatemala Local Governance Project

efforts to promote sustainable forestry and protect wildlife.

In Indonesia, a number of programs blend DRG and environmental approaches, including Change for Justice (C4J) a RoL project that helped build the capacity of the justice sector to combat animal trafficking, and Strengthening Integrity and Accountability Program 2 (SIAP2) that endeavored to strengthen CSOs' capacity to hold government accountable for the latter's poor management and oversight of Indonesia's forests.

- **Strategy 3: Introduce social accountability concepts and rights-based approaches to promote more responsive governance**

This strategy has been used in both Indonesia and Guatemala. In Indonesia, the Kinerja project built the capacity of Multi-Stakeholder Forums (MSF) as a core strategy to improve the demand for better services and to oversee public service delivery in education, health, and business licensing. MSFs receive training on their roles and responsibilities and on tools they can use to fulfill their mission. In the Business Enabling Environment (BEE) field, MSFs focus on fostering public-private dialogue to promote local economic development. In the health and education sectors, MSFs use complaint surveys, service charters, and advocacy to oversee service delivery and promote policy improvements. In Papua, a province in eastern Indonesia, Kinerja took on a more advocacy-based approach in response to very poor service delivery in health and education and limited community awareness. Kinerja thus emphasized a rights-based approach to enhance citizen awareness of the government's obligation to provide certain levels of services in these sectors.

In Indonesia, the Mission is beginning to address lesbian, gay, bisexual, transgender, and intersex (LGBTI) rights issues and currently supports three projects on this theme: "Being LGBTI in Asia," "Minority Desk" and "Increasing Access to Justice for LGBTI." The projects will be implemented during 2015-2016 and offer multiple opportunities for cross-cutting synergy and cooperation. Sector entry points include bullying in education, online social organizations in many sectors, and non-discrimination in access to healthcare. The Mission believes it can encourage LGBTI participation in the Mission's programs by consulting with community members and reminding implementing partners of USAID's non-discrimination policy and goal for inclusive development.

In Guatemala, the aforementioned Nexos Locales works on cross-cutting issues such as Gender and Youth. The project will help to organize a youth congress to enable youth groups to present their ideas on youth policies and governance. Gender is also a strong focus, cutting across various sectors within a Feed the Future (FtF) lens and engaging indigenous women in agricultural programs. Additionally, Nexos Locales empowers women to raise their voices on important issues and to participate in local decision making.

- **Strategy 4: Strengthen the institutional and advocacy capacity of civil society sectors.**

Strengthening CSOs is a strategy that typically cuts across sectors, especially when they are directly involved in the provision or oversight of services. For example, in Indonesia the Prioritizing Reform, Innovation, and Opportunities for Reaching Indonesia's Teachers, Administrators, and Students (PRIORITAS) project within the education sector provides overall training and capacity development that focuses primarily on improving the quality of teaching and learning in the classroom. However, the training program also embraces working with stakeholders, including the school principal, staff, and the school committee, to provide a more conducive environment for teaching and learning,

Another example from Indonesia is the Educating and Equipping Tomorrow's Justice Reformers (E2J). E2J grants to CSOs supported a wide range of research topics and the production of written materials such as handbooks, operational manuals, advocacy and policy briefs, publications, and public awareness materials. In Guatemala, the Leer y Aprender (Read and Learn) project has two main complementary components: the first includes classic education interventions to improve literacy, and the second focuses on the economic and social integration of out-of-school youth that includes a strong civic engagement dimension.

In Indonesia, Kinerja-supported one-stop-shops have largely benefited the local population by increasing the percentage of small businesses operating with licenses from 20% to 85%. This was achieved through a broad awareness raising effort and by waiving the licensing fees for SMEs. Licensed small businesses can have access to loans and are more likely to pay local taxes.

- **Strategy 5: Improving the business environment to address corruption and support economic growth**

Kinerja's work with one-stop-shops for licensing and approving business investments is a strong example of this approach. The project focused on simplifying procedures and making them more transparent and predictable. Through training and capacity building support, Kinerja supported local government and one-stop-shops in their outreach efforts to the private sector, helped develop an effective complaints management system, and supported the process to make business registration free for small businesses.

### iii. Scenario 3: Opening spaces with medium-high levels of commitment to social development (Nepal and Malawi)

#### Challenges, opportunities, and risks

Nepal and Malawi share relatively open political spaces and fall at the bottom of human development rankings. Both governments appear dedicated to addressing chronic disparities, though their motivations vary. Malawi is "under probation" with the donor community following the 2013 "cashgate" corruption scandal and donors are closely monitoring the use of international aid. Nepal, meanwhile, is striving to maintain national cohesion through its development efforts.

Malawi is a small, peaceful, relatively stable country that faces daunting human development challenges. In spite of improvements across most human development indicators, the country ranks 174 out of 187 countries on the United Nations Development Programme's (UNDP) 2014 Human Development Index (HDI), just above Liberia.<sup>24</sup> While the country has a reasonably independent judiciary, relatively open civil society space, and a generally free media environment, an entrenched patronage system and systemic corruption nonetheless blunted fragile reform efforts undertaken in recent years. In 2014, the country held local and national elections and undertook hesitant steps toward deeper decentralization.

Nepal is a small Himalayan country of enormous cultural, linguistic, and religious diversity. According to the 2011 census, over 120 different languages are spoken in the country. In 2015, Nepal ranked 145 out of 188 countries on the Human Development Index, a rank shared by Kenya. Nepal suffers from the

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<sup>24</sup> The Human Development Index is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living.

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lowest economic growth rate in the region, high mortality and morbidity rates of women and children, and an illiteracy rate of approximately 60%.<sup>25</sup>

An insurgency by Maoist rebels embroiled the country in conflict from 1996 - 2006, killing more than 13,000 civilians, insurgents, and members of the police and military. Two “People’s Movements” (1990 and 2006) and the Comprehensive Peace Accord of November 2006 resulted in the overthrow of the monarchy and the re-institution of democratic government. Key case study stakeholders, however, noted that almost all of the underlying elements that led to the Maoist insurgency still exist, and that Nepal may therefore experience further conflict.

These vastly different contexts present their own specific challenges and opportunities. In Nepal, the focus on post-disaster humanitarian assistance after the devastating earthquake in April 2015 could have easily derailed a Mission-wide effort to integrate governance across its sectoral interventions. Meanwhile, in Malawi, the recent corruption scandals placed governance issues at the heart of social development and supported the Mission’s ambitious integration agenda. Given the open political space found in both countries and the internal incentives to improve human development, the Missions had the opportunity to adapt their strategies to the countries’ prevailing conditions and take advantage of opportunities as they arose.

### **Main strategies used to promote DRG integration**

Integration is the foundation of USAID/Malawi’s vision for cross-sectoral programming and serves as the foundation of its 2013-2018 CDCS. The focus of Mission’s integration efforts has been to harness specific comparative advantages and complementarity among various sector activities to improve development results for Malawian citizens. It was also emphasized building local capacity and placing greater ownership of development in the hands of Malawians to ensure better sustainability of institutions and program outcomes.

As geographically based integration broadly gained traction in USAID/Malawi’s programming, so too has DRG integration. Consistent with DO 3 of the CDCS (citizen rights and responsibilities exercised), Mission leadership sees DRG integration as an important vehicle to ensure the Mission’s assistance is more locally responsive, accountable, and sustainable, all key features of the cross-sectoral integration approach. The development hypothesis linking DO 3 to the CDCS Goal is that if citizen rights and responsibilities are exercised and participation in decentralized government strengthened, then Malawians’ quality of life will be improved.”<sup>26</sup>

In Nepal, the CDCS DOI focuses on “More Inclusive and Effective Governance,” and is a clear and intentional nod to the importance of governance. The CDCS refers to governance as a “strategic choice.” DOI states that “to achieve the objective of effective governance and political inclusion in Nepal four conditions must be achieved: peace, accountability, civic participation, and better performance.”

Environments like Nepal and Malawi offer a broad array of strategic options for integrating DRG across sectors. The strategies described below are the main strategies used by the Missions’ staff to address the specific political, social and economic context in which they operate.

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<sup>25</sup> United States Agency for International Development. (2014). *Nepal Country Development Cooperation Strategy FY2014-2018*, p. 5-8.

<sup>26</sup> United States Agency for International Development. (2013). *Malawi Country Development Cooperation Strategy 2013-2018*, p. 18

- **Strategy 1: Capitalizing on open political environment and seizing on democratic milestones**

In an open environment, strengthening democratic processes and institutions often provide opportunities for meaningful dialogue on the key challenges facing the country. Both the Malawi and Nepal Missions developed strategies to take advantage of the recent political progress achieved in both countries.

The Malawi Electoral and Decentralization Activity (MEDA) worked with newly elected leaders and civil society engagement at the local level, strengthening the ability of newly elected councilors to fulfil the roles and responsibilities of their new positions in line with the renewed commitment from the GoM to decentralization. MEDA collaborated with USAID implementing partners to provide training to district committees, including the Health Service, Education, agriculture and food security committees.

In the Machinga and Balaka districts in Malawi, local councilors applied their sectoral and governance trainings. In Machinga, the councilors spoke of stopping money from being diverted from planned district development projects. In one case, the councilors blocked an attempt by a district MP to divert funds that the community wanted used to build a school block. In Balaka councilors learned about a special fund for education that was designed to pay for infrastructure, management, and material costs. As they investigated the use of these funds they discovered that a headmaster had been using them for unauthorized purposes. The councilors were able to get the monies refunded.

*“[The SPPELP] scope of work is all about making Committees more effective. We have contacts, in the Committees and in the Parties, and we can help them see the issues, they understand that we understand their challenges. We can help the sectors engage with relevant parties on Government policy and impending legislation. They [the Committees] are already willing to work with us.”*

--NDI Country Director

In Nepal, the Strengthening Political Parties, Electoral and Legislative Processes project (SPPELP, 2010-2015) was designed to support political parties, electoral institutions, legislative processes, and CSOs to promote a more stable and peaceful democracy in Nepal. SPPELP called on other USAID partners for their technical expertise to assist with trainings for parliamentary committees. For example, the project collaborated with CARE and the World Wildlife Foundation (WWF) to support the Environmental Protection Committee to assess damage following a series of floods in Kailai district. WWF provided trainings on the floods while CARE staff facilitated a visit for parliament members to affected communities.

In Nepal, the Singha Durbar program aims to increase knowledge about the roles of government at both the national and local levels and foster engagement. Singha Durbar’s main activity consists of 13, twenty-minute TV shows and 52 radio drama episodes. The television program aims to show how government works at the national level, featuring a female prime minister. Each episode focuses on a thematic issue such as agriculture, sports, health, climate change, youth disaster management, media laws, and political party democracy, illustrating how governance relates to each issue.

- **Strategy 2: Using a “Do No Harm” approach to promote DRG principles across sectors**

Given the importance of lingering tensions in Nepal and awareness of the potential for conflict, the DRG team promoted the use of “Do No Harm” principles to integrate DRG across programs. The DRG

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team indicated that, in their view, the principles espoused in Do No Harm also mirror PITA principles. During a Mission-wide workshop, the DRG team used Hariyo Ban, a Social Environmental and Economic Development project, to illustrate how Do No Harm principles can be applied. However, the case study team identified a limit to this approach in that there is a sense within the Mission that DRG integration is limited to Do No Harm. Thus, Do No Harm has become something of a “check the box” exercise.

- **Strategy 3: Strengthening capacity for front line service delivery within a decentralized context**

In Nepal, H4L played an important role helping the Ministry of Health and Population (MoHP) and the Ministry of Federal Affairs and Local Development (MoFALD) to sign a collaborative framework to integrate public health into MoFALD’s process at the local level for discussing and planning community development and then linking public health to other sectors such as women’s empowerment, education, and water and sanitation.

As in Guatemala and Indonesia, the Nepal and Malawi missions use local government structures to integrate DRG across sectors. In Nepal, the strategy focused on the Village Development Community (VDC), a lower structure of the Ministry of Federal Affairs and Local Development (MoFALD). The Mission identified two entry points for integration at the VDC level: 1) More coordinated and strategic participation in VDC level planning processes; and 2) Strengthened community involvement in social accountability. An example of this approach is the Health for Life project (H4L). The project aims to strengthen the government’s capacity to plan, manage, and deliver high-quality family planning and maternal, newborn, and child health services at the national, district, and local levels. The project’s objectives include improving the health system

governance of district health offices and sub-district level facilities. H4L uses social accountability tools such as a social audit, public hearings, and client feedback.

In Malawi, the Mission recently issued a solicitation for the Local Government Accountability and Performance Activity (LGAP) that builds on MEDA’s achievements. The project will focus primarily on three areas: 1) Building the capacities of local government to transparently deliver services; 2) Supporting citizen engagement and advocacy for accountable local government; and 3) Supporting the GOM’s decentralization policy and process reforms. The project will have a strong mandate to act as a “hub” to promote coordination and DRG integration among all USAID sectoral programs.

- **Strategy 4: Leveraging participatory governance and social accountability approaches to improve resilience to climate change and improve natural resource management**

The Hariyo Ban project in Nepal is a good illustration of this strategy. It is a 5-year global climate change project that aims to improve resilience to climate change and the livelihoods of Nepal’s impoverished communities who are reliant on Nepal’s forests. Promoting good governance is a core principle of Hariyo Ban. The project defines good governance as “the effective, participatory, transparent, equitable and

Hariyo Ban is “based on a long history of work in the forestry sector in Nepal when community forestry got started about 40 years ago. In the ‘80s, the hills around Nepal were completely bare and there weren’t any trees. Now there are trees and that’s all due to community forestry. The government still owns the land, but the community operates it. The issue really is governance; there is a lot of elite capture within the communities. Who actually controls the forests, the wealthy or the poor? How are they managing the forest to benefit the poor? The basis of the project is a belief that the poorest of the poor are disproportionately reliant on the forest.”

USAID/Nepal SEED Office

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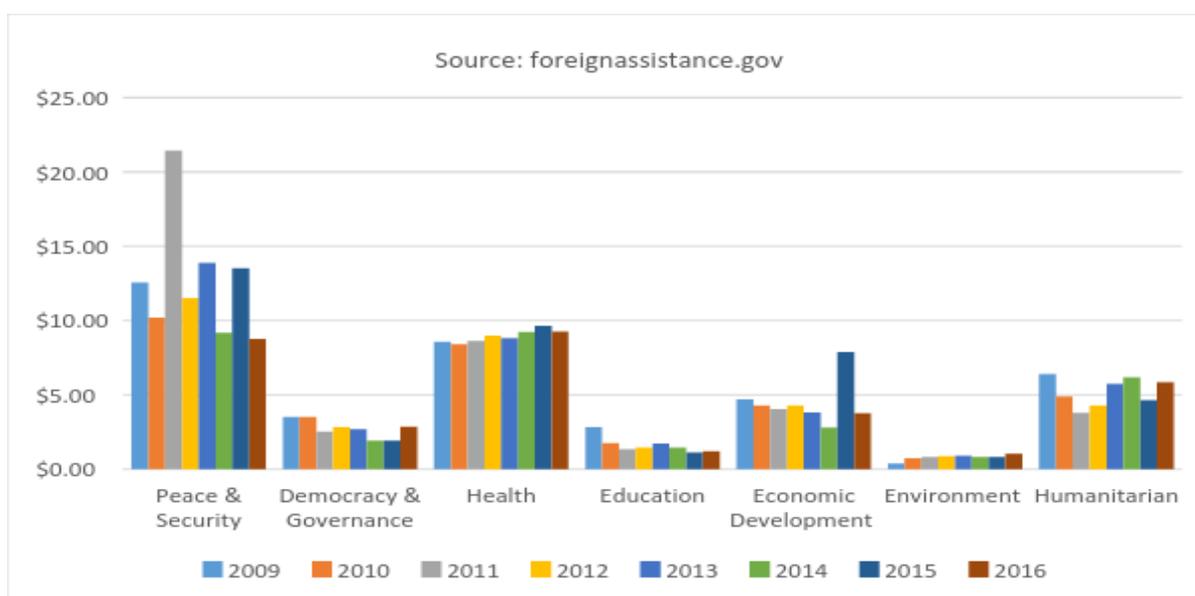
accountable management of natural resources, guided by previously agreed procedures and principles to achieve the goal of sustainable natural resource management.” It works with Forest User Groups and uses a number of social accountability and governance tools including: Participatory Governance Assessment (PGA) Tool, Public-Healing-Public-Auditing (PHPA), Community learning and Action Centers (CLACs), Community Score Board (CSB), and Gender Responsive Budgeting and Auditing Guideline.

## IV. ADDRESSING USAID INSTITUTIONAL AND FUNDING FACTORS

The case study teams documented the combined impact of USAID’s institutional organization and its sectoral funding streams on the capacity of missions to design and implement DRG integration strategies. The teams found that while USAID stove-piping creates obstacles to integration, case study missions have found innovative ways to mitigate them, even in the face of declining DRG funding.

### A. INSTITUTIONAL AND FUNDING CONSTRAINTS

**Exhibit B: USAID Global Funding by Sector 2009-2016**



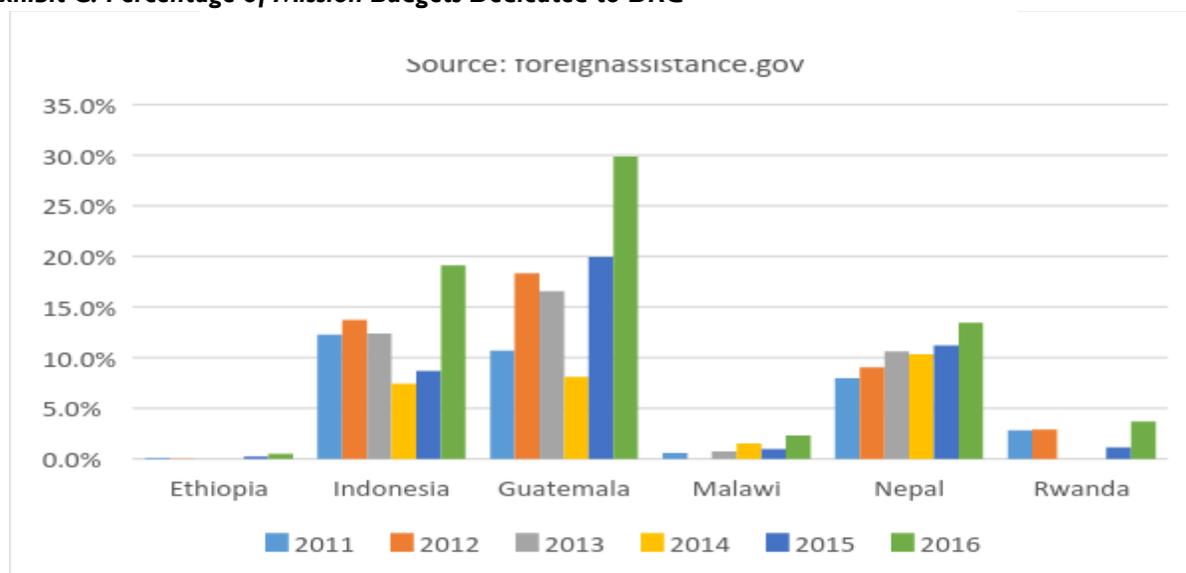
**Exhibits B and C** paint the familiar pictures of the relative decline of DRG funding over the past 5 to 10 years. Both appear to indicate a trend upward for FY2016 which could indicate that the decline has bottomed out and that there is hope for healthier funding levels in future budgets.

As **Exhibit C** shows, the case study missions reflect this general funding trend but with significant differences between countries. It is important to note here that DRG budgets are artificially inflated by the large percentage of that funding that goes to two Countries: Afghanistan and Pakistan. From 2011 to 2016 the combined totals for both countries ranged from 30% in 2016 to 44% of total DRG funding in 2013.

The figures illustrate the quasi-obliteration of DRG funding in Africa, as all three of the case study Missions in Africa received little to no DRG funding for at least one year over the past six years. While funding levels seem to be on an upward trend, they remain at very low levels. Nepal is the only mission

that witnessed a steady increase in DRG funding in recent years. Indonesia’s funding, after witnessing strong declines, appears to be on the rebound in 2016. Guatemala is the only mission that has had solid levels of DRG funding, but it has not entirely been protected from DRG funding fluctuations.

**Exhibit C: Percentage of Mission Budgets Dedicated to DRG**



Further compounding the impact of low DRG funding levels is the fact that sectoral funding is severely constrained by a combination of requirements and constraints on their usage imposed by the earmarks and initiatives they support. All of the case study missions received a combination of earmark and initiative driven funds. The main initiatives include: Feed the Future; the President’s Emergency Plan for AIDS Relief (PEPFAR); the President’s Malaria Initiative (PMI); the Global Climate Change Initiative (GCC); and the Central America Regional Security Initiative (CARSI). Of these initiatives, only CARSI has explicit DRG elements. Finally, Agency-wide technical offices’ policies and guidelines put further restrictions on a Mission’s ability to use sectoral funding flexibly. For example, under the Education Office policy, funds are to be used almost exclusively to improve early grade reading skills. Similarly, Global Health Office guidelines for maternal and child health funds indicate that every dollar spent must be tied to a life saved.

The case study missions’ dependence on earmarked funding varied very little. The figures received from the missions indicate that Ethiopia, Indonesia, and Malawi budgets were approximately 98% earmarked;<sup>27</sup> Rwanda’s 99% and Nepal’s at least 75%. We do not have specific data for Guatemala regarding the percentage of budget tied to earmarks or initiatives, but expect a similar range since a large portion of DRG funding is earmarked under CARSI (see **Annex D**).

**The compounding effect of low DRG funding and rigid sectoral earmarks**

With the exception of Guatemala, the Mission DRG teams find themselves in a difficult funding position when advocating for DRG integration. Case study stakeholders used the “hat-in-hand” analogy in several countries, and it is clear that the lack of DRG funding undermined the credibility and perceived sincerity of DRG officers when they proposed to integrate DRG approaches within sectoral programs or asked technical offices to support their initiatives. The DRG teams receiving higher levels of DRG

<sup>27</sup> Data are for the following years: FY13 for Ethiopia, FY14 for Indonesia; FY15 for Malawi, Rwanda and Nepal

funding (Guatemala, Indonesia and Nepal) were in a much stronger position. In Indonesia, the DRG Office initiated the integration push through its multisector Kinerja program. In Guatemala, the DRG team was able to contribute significant funding to an education project and to assemble funding from Global Health, GCC, and DRG to design and implement the \$16.3 million Nexos Locales Program.

The poor negotiating hand DRG teams receive is made worse by the inflexible internal logic of earmarks and initiative funding. Earmarks come with specific financial and technical reporting requirements. Sector specific indicators that give little attention to DRG outcomes drive how the funds are to be used. Furthermore, the high reliance on initiative funding feeds an agency-wide culture that some case study interviewees have described as being “conditioned to earmarks.” Missions and USAID/Washington staff continue to consider earmarked funds for DRG integration, one can hope that they will become more creative in making those opportunities work.

The case study teams found examples of how Missions used funding creatively. It is, for example, remarkable that Malawi, a mission that has received limited or no DRG funding, recently released an RFI for an integrated flagship decentralization programming with strong DRG elements that mobilizes significant funding from other sectors, including health and education. This solicitation is a result of systematic efforts of the DRG team, with support from the mission leadership and program office, to implement and develop strategies for DRG integration. It also reflects the recognition by other sectors of the importance of DRG issues for their sectors.

In the next section, we will review some of the strategies developed by Missions and DRG staff that have been successful in promoting DRG integration.

## **B. STRATEGIES DEVELOPED BY MISSIONS TO ADDRESS CONSTRAINTS**

### **i. DRG integration within CDCS**

The case study Missions all reflected on the need for integration of programming across sectors during the creation of their country strategies. Most included some level of DRG integration within these cross sectoral strategies.

They can be summarized as follows:

- **Ethiopia:** The 2011-2015 CDCS is comprised of three sectoral DOs (economic growth, health and education) and of a governance cross-cutting SO (improved governance environment for sustainable development) supported by Intermediate Results (IRs) focusing on “resiliency and adaptation to conflict” and “strengthened accountable governance”.
- **Guatemala:** The CDCS has three DOs that address what the Mission understands to be the main challenges facing the country as opposed to addressing specific sectoral concerns. While DO 1: Greater Security and Justice for Citizens, and DO 3: Improved Management of Natural Resources to Mitigate Impacts of Global Climate Change, remain within clear sectoral boundaries. DO2: Improved Levels of Economic Growth and Social development in the Western Highlands, is by design integrated across sectors. In addition, Environmental Governance is included as IR 3 under DO 3, which provides a strong justification for governance interventions within that objective.
- **Indonesia:** As previously noted, the 2014-2018 CDCS goal, “A stronger Indonesia advancing

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national and global development,” is to be achieved through four DOs: DO1: Democratic governance strengthened; DO2: Essential human services for the poorest and most vulnerable improved; DO3: Global development priorities of mutual interest advanced; and DO4: Collaborative achievement in science, technology, and innovation increased.

- **Malawi:** The 2013-2018 CDCS features three DOs that underpin the overarching goal of improving Malawians quality of life and rests on a fully integrated approach known as the “3-C Approach”: Co-location, Coordination and Collaboration. DO 1 focuses on improving social development by improving essential social services; DO 2 seeks to increase sustainable livelihoods through strengthening resilience to climate change, increasing production of commodities to improve nutrition, and expanding agricultural trade. DO 3 focuses on citizens exercising their rights and responsibilities. The CDCS also includes four cross-cutting sub-IRs, including: (i) improving the capacity of institutions; (ii) increasing the use of technology and innovation; (iii) strengthening policy and systems; and (iv) adopting positive behaviors.
- **Nepal:** The CDCS includes three sectoral DOs. DO1: More Inclusive and Effective Governance, is a clear and intentional nod to the importance of governance. DO2: Inclusive and Sustainable Economic Growth to Reduce Extreme Poverty, reinforces the importance of governance: “Success and sustainability in DO 2 will be enhanced by the governance improvements under DO 1.” DO3: Increased Human Capital sees the achievement of its goal as a “condition and consequence of economic growth.”
- **Rwanda:** The CDCS is comprised of four sectoral DOs. DO 1: Economic opportunities increased and sustained; DO 2: Improved conditions for durable peace and development through strengthened democratic processes; DO 3: Health and nutritional status of Rwandans improved; and DO 4: Increased opportunities for Rwandan children and youth to succeed in schooling and the modern workplace. The CDCS also mandates collaboration across sectors to create a multiplier effect that enhances sectoral outcomes. The CDCS regards integration across all sectors, not just DRG integration, as vitally important.

Each of the above CDCSs takes a different approach toward promoting cross-sectoral and/or DRG integration. We can identify three main approaches as follows:

- CDCS DOs reflect broad development challenges that encompass several sectors. Indonesia and Guatemala used this strategy most distinctly. It is noteworthy that both CDCSs still have a DRG focused DO, although it is reframed to address local challenges such as security in Guatemala.
- A CDCS with mostly sectoral DOs that focus on incorporating a cross-cutting mandate and keep a DRG focused DO. The Rwanda and Malawi CDCS’ also have sectorally-focused DOs coupled with cross cutting mandates on collaboration for Rwanda and capacity building, strengthening systems, and Information and Communications Technology (ICT) for Malawi.
- A CDCS that considers DRG uniquely as a cross-cutting sectoral dimension. USAID/Ethiopia’s CDCS is the most traditionally sectoral in the structure of its DOs. DRG integration is to be achieved through a cross-cutting governance SO that mandates integration of governance approaches across all sectors.

Finally, we note that four missions (Malawi, Rwanda, Nepal, and Guatemala) incorporated principles of

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co-location of USAID intervention activities, coordination within USAID, and collaboration between USAID and country government structures and other development partners, CSOs, and community-based organizations (CBOs).

The above approaches all provide opportunities to integrate programming; some focus more heavily on cross-sectoral programming, but most also understand that DRG integration is part of the effort. Only one CDCS, Ethiopia, eliminated DRG as a specific DO to replace it with a cross-cutting SO. As USAID/Ethiopia found out, this turned out to be a risky strategy as DRG funding was zeroed out in 2012 and 2013. The DRG team indicated that one of the arguments used was that, now that DRG was integrated, there was no longer a need for a separate budget. To be fair, it should be noted that although the Malawi and Rwanda missions kept DRG DOs these missions also had their funding zeroed out as a result of the vanishing DRG funds in Africa.

With only six case studies, it is not possible to determine which type of strategy is the most successful in promoting integration. Each brings some opportunities and some risks. As the teams discovered, the critical dimension in a successful DRG integration strategy lies in strong mission leadership and the ways it was managed and supported by a broad range of mission stakeholders. This is what we will investigate in the next section.

### ii. Managing DRG integration at the mission level

In this section, we will review some of the management challenges Missions faced when integrating DRG and identify some of the approaches they have taken to address them. **Table 3** below summarizes some of the key strategies used.

**Table 3: Main management Strategies used for addressing DRG integration Challenges**

<b>Management Strategy</b>	<b>Countries</b>
Appointing a DRG Integration Advisor	Ethiopia
Creating DO teams in addition to technical offices	Indonesia (Malawi temporarily)
Pooling sectoral funds to provide mission-wide cross cutting services, primarily focused on capacity development	Ethiopia, Malawi, Rwanda
DRG officers participate in sectoral PAD design	All Missions
Program co-location to achieve greater coordination and integration	Rwanda, Guatemala, Malawi, Nepal
Creating opportunities for sharing and learning among IPs	Malawi, Guatemala, Ethiopia, Nepal, Rwanda
Introducing “windows of opportunities” clauses to provide more flexibility in contracts	Malawi
Introducing integration/coordination requirements in contracts and assistance agreements	All Missions

### Management and coordination factors

The case study Missions used a variety of coordination and management approaches to help translate into reality the integration mandates laid down in the CDCSs. In some cases, the main outline of the strategies was provided in the CDCSs. In others cases, Mission staff and DRG teams started from scratch. Examples of strategies are provided below.

In **Ethiopia**, the Office of Democracy and Governance, created a Senior Cross-Cutting DRG Advisor position to spearhead DRG integration efforts throughout the Mission. According to the job announcement, the Advisor is responsible for “liaising with other offices to develop, monitor and evaluate the overall cross-cutting democracy and governance strategy, and advise others on DRG approaches relevant to program and policy development, capacity building and program implementation.” The Advisor also oversees the Mission’s efforts to promote increased accountability across all development sectors. He has dedicated time to provide DRG expertise in support of the work being done in other sectors, including meeting with implementing partners and accompanying sectoral colleagues on field visits. In our view, this strategy has been highly successful.

As a result of the Senior Cross-Cutting DRG Advisor’s dialogue with other sectors, there are greater instances of cross-sectoral engagement with the DRG team, which helped sectoral colleagues gain a better understanding of DRG principles and their potential for improving sectoral work. Conversely, these interactions enriched the DRG team’s understanding of other sectors’ programming, priorities, and needs.

Other strategies implemented by the Ethiopia Mission and the DRG Office include:

- Participating in other sectors pipeline reviews (EG&T) in order to better manage these funding streams. Previous collaboration between DRG and EG&T resulted in the adoption a “Do No Harm” lens within EG&T programming, and set the stage for further collaboration.
- Promoting collaboration and synergy across complementary projects including project co-location, as well as joint planning, implementation, and learning mechanisms and a joint Steering Committee involving the AOR/CORs from all concerned projects.
- Pooling funds to offer cross-cutting services to technical offices. This strategy is exemplified by the LCD project, which is housed in the DRG office but serves local NGOs involved in programs from all technical offices.

**On the importance of united and strong leadership:** In Indonesia the Front Office and the Program Office showed a strong united front behind the integration strategy. They pushed back against Washington mandates to avoid having “another useless program” which included advocating for the Indonesia program with “USAID’s top leadership in Washington.” In this manner, he indicates they were able to “stretch the limits” of what they could achieve with sectoral funding streams, especially with biodiversity funds. This approach has enabled the Mission to incorporate strong governance dimensions into its environmental programs which led Program Office staff to state that “environmental programs are now essentially democracy programs.”

### Key ingredients of successful DRG integration strategy:

- Strong support and leadership by Front and Program Offices Leadership
- Buy-in and support from Technical Offices
- Creating opportunities for collaborating and sharing
- Problem solving approach
- Achieving a common language and common understanding of integration
- Setting clear expectations and mandates

In **Indonesia**, the Mission understood that implementing an integrated strategy in an agency that is structured around sectoral offices and driven by earmarked funding would not be an easy task. The Mission thus decided to set up an internal task force to design an implementation strategy for the CDCS. The task force consisted of a team with diverse membership, including the contract office, all technical offices and a mix of FSNs and Foreign Service Officers (FSOs). Among the core issues that the task force looked at was whether the Mission should continue to be organized around technical

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offices or if it should be restructured around DOs. The Mission opted for a hybrid approach: keeping the technical offices and creating cross-cutting DO teams that bring together staff from all relevant technical offices.

Implementation of this new structure was still in its infancy when the case study team visited the Mission, but it was already promising. It showed the potential to succeed in enabling DRG integration because team leads are empowered to implement and carry out strategy. They are led by Foreign Service Nationals (FSN) and report to the Front Office. The teams have an overriding focus on development results as compared to strict technical office loyalties. The research team witness firsthand the dedication of the FSNs who were entrusted with leading DO teams.

One challenge to this structure is that although DO team leads are involved in Mission resource allocations, funds continue to be managed by technical offices. Thus, DO Team Leader's understand that their effectiveness depends on developing good working relations with technical offices and ensuring that they are strongly supported by the Front Office.

The **Malawi** Mission decided early on not to restructure around the CDCS DOs as it was feared that it would be too disruptive and could jeopardize sectors' ability to achieve their key indicators. Instead, the Mission created a series of ad-hoc "integrating structures" first at the district level and then at the Mission level through the creation of teams that would each explore opportunities for integration across different stakeholder groups: 1) IPs, 2) development partners, and 3) district governments. While this structure is still in place, it appears that, for the most part, leadership and oversight of integration is shifting to the Program Office, with other 'influencers' scattered among various sectoral teams and the Contract Office. Based in large part on the inherent cross-cutting nature of its work, the DRG team is a significant champion of integration.

To operationalize the integration strategy, the Mission focused on three mutually reinforcing dimensions of integration, known as the "3-C Approach": **Co-location** of USAID intervention activities; **Coordination** within USAID and with other development partners; and **Collaboration** between USAID and the GoM, district authorities, other development partners, CSOs, and community based organizations (CBOs). Co-location was implemented by selecting, during the CDCS development process, three focus districts, which were to be "fully integrated." The process involved extensive stakeholder analysis and a mapping of existing Mission programming that was cross-walked with the geographic areas with the greatest need.

*"Three Cs are homegrown. Co-location is the most basic. We want to move along the continuum to coordination. Coordination is an intermediate step whereby partners are sharing information. The endgame is collaboration where implementing partners are proactively planning and implementing together and identifying common development objectives in the target geographic areas."*

--Program Office Representative,  
USAID/Malawi

The Mission also implemented a number of innovative practices to promote Coordination and Collaboration between partners. The Mission organized a series of facilitated meetings including two IP brainstorming meetings to discuss approaches and opportunities for integration; as well as two "Speed Dating" sessions where partners were encouraged to identify activities for integration. The main IPs were also asked to submit updated workplans that included specific integration activities.

While this approach to collaboration is more about cross-

*"For collaboration to work, there must be some self-interest; a meeting of the minds. But this doesn't necessarily happen spontaneously. We need USAID to bring us together to learn more about the other projects ..."*

--Chief of Party, Malawi

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sectoral integration than DRG integration per se, it is worth noting that the Malawi Mission sees DRG programs as playing a critical role in integration. The recently released SOW for the Local Government Accountability and Performance (LGAP) gives the program a strong mandate to act as a hub for coordination and collaboration among IPs and across sectors.

The Malawi Mission also commissioned a five-year CDCS Impact Evaluation to measure the degree to which implementation of projects in-line with the 3C Approach resulted in better development outcomes. The evaluation is effectively testing the CDCS hypothesis: “If development is integrated, then results will be enhanced, more sustainable, and lead to the achievement of the CDCS goal.”

The USAID/Malawi also used pooled funding to promote integration. A prime example is the Supporting the Efforts of Partners (STEPS) activity, which is funded by the health, education, Sustainable Economic Growth (SEG), and DRG Office. STEPS is a capacity strengthening program that, like LCD in Ethiopia and HICD in Rwanda, provides capacity building services in a number of sectors. The Agreement Officer’s Representative (AOR) sits in the DRG team, but the other involved offices in the Mission each assigned an Activity Manager to serve as the technical representative for their respective offices.

In **Guatemala**, integration “has been more pragmatic than programmatic at the Mission,” and driven by the Western Highlands Integration Program (WHIP) process and the request from Washington to “focus and concentrate” interventions on a reduced geographic area. While WHIP led to the creation of coordination structures specific to the Western Highlands (see below), the integration push did not lead to an internal restructuring of the Mission to reflect the DO-driven approach introduced by the CDCS. As a consequence, the integration effort continues to take place primarily at a technical level, rather than at the Program Office or Mission levels. To a certain extent, the depth and breadth of integration continues to depend on the willingness of technical offices’ leadership and on specific opportunities identified by technical staff. As demonstrated by the integration programs driven by the DRG team, with SJSRP as a prime example, integration that results from a “meeting of the minds” can more easily gain broad support.

However, the perils of top down, mandated integration can be seen through the WHIP process. The Mission initially brought in a retired Foreign Service Officer (FSO) who was instrumental in clarifying the WHIP concept and building support around the effort. Currently, the WHIP coordination architecture consist of a complex set of structures that include (from top to bottom) a Steering Committee (Senior Leadership), a Technical Committee (AORs/CORs), a Petit Comité (COPs), Department Committees (district) and the Central WHIP Coordination charged with animating the overall coordination/integration effort. In addition, at the time of the case study team visit, there was also a WHIP Coordinator posted in Quetzaltenango charged with being the “eyes and hears” of the Mission in the field. The case study team members frequently heard of “coordination fatigue” related to the WHIP process and comments that more time was spent “coordinating than implementing.”

However, USAID/Guatemala is a good example of how DRG funding can effectively complement sectoral funds. CARSI funding, though itself an initiative, is relatively flexible and thus can be used to support activities that other technical offices are restricted from implementing under their funding streams. The Leer y Aprender project was a case in point as it enabled the Education Office to implement activities focused on out-of-school youth that do fit under current education policy guidelines.

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The **Nepal** Mission's approach to managing DRG integration has evolved over time. The Mission initially proposed the creation of a Governance Board that would be composed of office directors and the Deputy Mission Director. This structure was never implemented and instead the Mission opted for the creation of DO teams, but they have not met since the 2015 earthquake.

The Mission also created an Integration Task Force. However, the Integration Task force itself was not clear about how the Mission defined integration and according to one interviewee, "struggled with promoting just DRG integration or collaboration and integration across all sectors within the Mission." One of the most effective attempts at institutionalizing integration was through the creation of DRG backstops for each sector whereby each person on the DRG team is assigned a technical office. These DRG staff members are responsible for commenting on PAD designs, reaching out and providing support to other technical teams where necessary and relevant.

*"One of our failings, is it's good that you have senior leadership buy-in, but not everyone else bought in. Understanding of integration in the mission is not that strong. Even within the working group, we have different ideas of what integration is. The focus has always been on governance integration. There is [also] a push for strong coordination between projects working in the same sectors."*

--Nepal Mission Staff

In 2015, the Mission adopted a new streamlined Activity Design Process Mission Order following an organizational assessment. The Activity Design Mission Order created a bureaucratic process through which all offices are given two opportunities to comment on activity designs before they are finalized. The DRG Office is using this process as a mechanism by which they can insert DRG considerations into upcoming programs. To many interviewees this was a key entry point for ensuring that DRG principles are integrated into new activities

In **Rwanda**, the Front Office was the champion for cross-sectoral programming and DRG integration and played a key role in reallocating funds for DRG integration. This included requiring other sectors to contribute to DRG integration activities. This strong direction from the Front Office and support from the technical offices resulted in monies from Health, Economic Growth, and Education being allocated to fund the Human and Institutional Capacity Development (HICD) and LAND activities. Given that the DRG budget was zeroed out, the other offices helped to fill the budget shortfall. However, it is important to note that the activities in both programs directly impacted the technical sectors that contributed funds. The DRG Office retained a lead management role while collaborating technical offices provided the Alternate Agreement/Contract Officer's Representatives (A/CORs).

*"Overall, the Mission needs a vision to drive and support cross-sectoral programming. 1) The Front Office is important for numerous reasons. There are resource constraints, only \$2 million was allocated to DRG funding. 2) The Front Office needs to drive the message to the technical teams, disabuse them of the notion that they own the money. It is about building a culture within the Mission."*

--Rwanda Front Office staff member

In addition to providing leadership for integration efforts, the Front Office also provided the impetus for promoting cross-sectoral programming within the CDCS as highlighted through the cross-cutting issues. The CDCS provides some guidelines for collaboration and places many of these responsibilities with the Program Office while technical offices are tasked with reaching out to other sectoral colleagues. Methods to promote collaboration suggested in the CDCS include working groups, joint reviews, and

participation in activity design processes from the concept paper to the completed PAD. (See Table 4 for specific CDCS methods and activities that promote cross-sectoral programming). While this is a written priority of the Front Office, Mission staff frequently cited competing priorities and time constraints as inhibitors to fully engaging with other sectors.

**Table 4: USAID/Rwanda CDCS Methods and Activities that Promote Collaboration<sup>28</sup>**

Methods and Activities	Responsible Party
Multi-sectoral collaboration through the lenses of institutional capacity building, household resilience, civic engagement, and gender integration.	CDCS Coordinator
Monthly brownbag lunches that are led by technical teams and intended to emphasize cross-sectoral topics such as land titling, civil society, etc.	CDCS Coordinator
Mission-wide innovation award that rewards employees for innovative approaches to collaboration across teams and improvements in efficiency.	Open to all staff
Identify a Program Cycle Point of Contact in each DO Team that will be responsible for project design, learning, program transformation, etc.	CDCS Coordinator
Geospatial maps to identify the location of each USAID/Rwanda activity and opportunities for multi-sectoral collaboration; share this information with key stakeholders.	Program Office
Collaboration maps that highlight synergies and actionable programmatic gaps across technical teams.	CDCS Coordinator
Engage in sector working groups, technical working groups, and their respective sub-groups.	Technical Team Leaders
Provide non-investment technical assistance and feedback to GOR during the development of sector strategies.	Technical Team Leaders
Maintain key roles in joint sector reviews.	Technical Team Leaders

### **Issues with managing contracts/cooperative agreements**

Managing cross-sectoral or DRG integrated contracts and cooperative present a number of challenges that were common to Missions visited by the CSP research teams. The first challenge is that the process for integrated procurement tends to take more time as it involves more people during every step of the process. These solicitations are also more difficult to evaluate as they require a broader range of expertise and the likelihood of more variations in the perspective of the evaluators.

Some OAA offices indicated that integrated programs create more of a management burden for them, and that they can be relatively “tiresome” compared to others. While the case study teams do not have data to back up this assertion, some of the research teams were told at least on one occasion that integrated programs require an increased number of modifications because new program ideas arise, and key personnel changes are more common.

A common challenge in managing integrating programs was financial reporting. Programs using pooled funds were required to report how they used the funds to help support the objectives of the sectors providing the funds. At times, this reporting was extremely onerous. With earmark and initiative funds, there was general confusion as to what purposes specific funds can or cannot be used for. In addition, the strict guidance (or perception thereof) regarding the use of earmarked funds has deprived Missions and IPs of much needed flexibility in program implementation as expenditures need to be very carefully tracked by source and there appeared to be no flexibility to use one type of funding for a different

<sup>28</sup> Extracted and summarized from the USAID/Rwanda CDCS 2015-2019, p. 66.

purpose. There is no obvious solution to this issue at the Mission level so long as funds are perceived to be constricted. Clearly, this is an area that needs guidance from USAID/Washington.

In response to these challenges, Missions have been proactive and tried to support IPs through implementation and by ensuring that contracts and grants provide clarity regarding processes and requirements specific to integrated contracts and assistance agreements. The Malawi Mission appears to have been the most proactive in this respect and is presented here as an illustration of concrete solutions that can be provided to some of these issues.

The Contracts Office at the **USAID/Malawi** has tried to build flexibility into funding mechanisms to enable integration, and further the goals of each project. One of the greatest challenges was the application of the 3-C Approach to older projects already in mid-implementation at the time of the CDCS design. The IPs for these projects felt they lacked flexibility in their funding and contract language to implement integrated activities. As a

*“All of the management innovations from the Contracts Office including pushing back and telling people you can do this [integration] is essential to [encouraging] integration.”*

--USAID/Malawi staff

result, Mission Leadership and the Contracts Office began attending meetings to tell IPs, “Yes, you can do this.” To address concerns regarding the flexibility to integrate, the new generation of contracts and assistance agreements contain explicit language promoting and requiring integration. Generally, language in the contracts requires IPs to focus on 1) contributing toward achievement of the CDCS goal; and 2) aligning with the major priorities and approaches of the CDCS, including a particular focus on integration.

This language gives IPs the flexibility and mandate to collaborate and coordinate across the Mission’s portfolio writ large. According to one interviewee, the language is purposely written in to “be specific with particular projects that we expect them to work together on, and why. It’s saying that here are the linkages that USAID would like to see and encourages IPs to go above and beyond to work with other USAID activities and projects.” This language puts integration at the core of a project’s activities, instead of as an add-on, and stresses its importance among partners.

The Malawi Contracts Office also utilizes “Windows of Opportunity” to promote the 3-Cs. While only a small portion of the overall activity, according to a USAID source, this is a funding mechanism placed in contracts to give IPs the flexibility to implement integration and other cross-cutting activities that were not originally foreseen. In addition to flexibility within the contract language for these types of activities, a line item for Windows of Opportunity is also placed in activity budgets.

### **Toward adaptive management practices?**

DRG integration remains a novel approach that necessitates adaptation to shifting local contexts and the ability to be responsive to local priorities and seize opportunities as they arise. As an organization, USAID is moving toward promoting adaptive approaches. For example, Collaborating Learning and Adaptive (CLA) approaches to knowledge management and monitoring and evaluation are now routinely included in program design. As we have seen above, in the case of Malawi, contracting officers are introducing more flexible language into contracts. The case study research teams found that the contracting officers interviewed were generally well-versed on the challenges faced by IPs tasked with implementing integrated programs.

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However, the general lack of flexibility in the use of funding streams is a major impediment to adaptive management. Most integrated programs received funding from different earmarks and initiatives and these funds are perceived to come with an obligation to carry out certain activities and to contribute to the achievement of specific indicators. This means that most integrated programs have less flexibility to respond to changing local priorities. Instead, it is understood that they must implement in accordance with the color of the money they received and in line with instructions coming from Washington DC.

DRG funding is one of the only source of funds that is inherently flexible. In addition, as the team noted in Guatemala, CARSI funding also provides missions and implementers with quite a bit more flexibility than other earmarked or initiative funds. In the recent context of shrinking DRG funding, it would be tempting for DRG practitioners to advocate for a DRG earmark or a major “Democracy and Governance Presidential Initiative.” This, in our view, would be misguided as DRG integration takes its strength from its capacity to adapt to local demand and earmarks would most certainly take away from that ability.

## V. CONCLUSIONS

The CSP case studies, focusing on only six countries, scratched the surface of the integration work that is taking place in USAID missions across the world. Yet, they revealed a broad range of strategies and approaches used by USAID Missions to try to “do development differently.” DRG integration, and broadly speaking cross-sectoral integration, is not the easy route for the case study missions, yet they opted to attempt integration out of a sense that it would lead to greater effectiveness and sustainability of their development efforts. The purpose of the case studies was not to demonstrate the effects of DRG integration—though we certainly documented some concrete impacts—but rather how and why it happened and to gather lessons learned.

One of the first lessons is that **DRG integration is complex and that there is not a single recipe for success**. Before engaging in a DRG integration process, or any integrated programming, it is vital to understand the country context in which it will take place as well as the USAID mission’s institutional and human factors. The case study teams observed that missions used broadly two types of strategies for promoting integration: bottom-up and top down (see **Table 5**). These are not mutually exclusive and most missions used both strategies concurrently to best adapt to their environments. In fact, the findings of this research effort support the assertion that both approaches are needed to ensure a vibrant integration effort that provides the proper enabling environment and incentives for stakeholders to work together.

As integration is complex, Missions need the ability regularly assess how well they are doing in their implement strategies and adjust course as needed. Likewise, implementers need to have the flexibility to adjust their integrated interventions without needing to go through complex contract modifications every time they need to adjust course or seize an opportunity. Thus, more attention needs to be paid to adaptive management processes both at the project and mission levels.

Adaptive management requires reliable and timely feedback on performance, but the six case studies reveal that monitoring and evaluation has been a continual challenge in the context of DRG integration. Missions visited were working hard to develop results framework that would help assess the effectiveness of DRG integration. However, this is a challenging task as earmarks and initiatives already impose stringent indicators reporting on technical offices that are reluctant to add more to the mix. Missions in Indonesia, Malawi, and Ethiopia turned to rigorous impact evaluations to assess the contribution of DRG integration, and integrated programming more generally, to achieving sectoral outcomes. This approach is certainly needed but does not provide real time information and feedback that missions and implementers need to adjust course. Thus, it is important to build in regular monitoring systems to complement evaluation efforts. This can help increase program flexibility and the ability to react to observed effects of DRG integration as well as changes in the overall political context.

**Table 5: Top-down vs bottom-up approaches to DRG integration**

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	<b>Top-Down</b>	<b>Bottom-Up</b>
<b>Features</b>	<ul style="list-style-type: none"> <li>- Integration mandate in the CDSC</li> <li>- Front and Program Offices advocate and arbitrate integration</li> <li>- IP contracts provide mandate for integration</li> <li>- Formal coordination mechanisms in place</li> </ul>	<ul style="list-style-type: none"> <li>- Integration happens spontaneously (meeting of the minds)</li> <li>- Integration responds to challenges identified as a result of implementation</li> <li>- Coordination can be informal as focus is on creating opportunities for integration</li> </ul>
<b>Pros</b>	<ul style="list-style-type: none"> <li>- Result framework in the CDCS</li> <li>- Lines of accountability are clear</li> <li>- Whole of Mission responsible for success</li> </ul>	<ul style="list-style-type: none"> <li>- Promotes ownership of concerned stakeholders</li> <li>- Flexible and leaves room for innovation</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>- Buy in from technical offices could be forced</li> <li>- Risk of integration/coordination fatigue</li> <li>- Could place USAID officers in position to choose between Mission and DC directives</li> </ul>	<ul style="list-style-type: none"> <li>- Integration likely to be ad-hoc, not systematic</li> <li>- Current institutional environment not conducive to collaboration (need support from Mission top leadership)</li> </ul>

Other lessons learned from the case studies include:

- **DRG integration is most effective when supported by DRG funding:** The decrease in DRG funding that took place worldwide undermines the DRG team’s ability to drive the integration process as have limited funding to they can use as leverage and have to come “hat in hand” which undermines their credibility. As argued in this report, DRG funding is one of the only sources of funds that comes with few strings attached. It is an essential element of an effective DRG integration strategy as it enables DRG officers to support their sectoral colleagues in implementing integrated activities.
- **DRG specialists need to deepen their understanding of sector-specific concerns:** This lesson derives naturally from the previous lesson. For DRG expertise to stay relevant, DRG practitioners must show that they understand sector specific issues and can adapt to evolving sectoral challenges. One solution could be to match governance experts with sectoral experts and/or to detail DRG officers to sectoral offices for a given period of time. In Indonesia, the Mission temporarily assigned a health specialist to be Acting Deputy Lead for DOI (DRG). She indicated that she gained a deeper appreciation of DRG approaches’ added value through this experience. She has since become a strong advocate for DRG integration. In Ethiopia, the success of the DRG team in promoting social accountability approaches to their sectoral colleagues is due in no small measure to the Cross-Sectoral Governance Advisor’s ability to gain an in-depth understanding of sectoral programs.
- **DRG tools and approaches can promote cross-sectoral integration:** The DRG offices in the visited missions played a critical leadership role in using governance/rights approaches to promote cross sectoral integration. In Indonesia, Malawi, and Nepal, DRG offices designed flagship programs that cut across sectors and utilized DRG approaches to help achieve results in health, education, economic growth and the environment.
- **Earmark and initiative owners will (sometimes) accept compelling arguments for integrated programming:** Among the Missions visited, the Indonesia Mission stands out for their strong push back on perceived restrictions for usage of funds. The Mission used the

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argument that the Indonesia CDCS resulted from an in-depth consultative process with country stakeholders that had clearly identified key priorities for USG engagement. While the Mission did not get everything it wanted, pushing Washington to be more open to the Mission's interests and interpretations clearly paid off. The DRG Center could learn from this experience to support Missions willing to challenge earmark perceptions.

- **Mission Leadership is essential:** A reoccurring theme throughout the case studies is the importance of Mission leadership for promoting DRG integration. The most successful DRG integration efforts documented in this report were all supported by strong Front Offices convinced of the importance of DRG issues across their mission's portfolio. Furthermore, Front Office support is key for ensuring that integration is seen as a Mission priority, not the priority of a single office.
- **There needs to be a commonly understood purpose for integration:** This begins with ensuring that there is a common understanding and definition of integration and of the objectives it pursues. Objectives of DRG integration should remain realistic as to how it will help achieve sectoral outcomes. The fact that USAID/Malawi clearly defined integration as co-location, collaboration and coordination with the ultimate goal of presenting a unified USAID presence to district governments helped to build support across the Mission. Although a work in progress, implementing partners and USAID staff are more clear about what integration means, the expectations, and the ultimate goal.

## ANNEX A: RESEARCH QUESTIONS

1. How did CSP come about in each mission? To what degree have these efforts been successful?
2. What difference does CSP make for development results? When USAID adds value to development results, what changes when CSP becomes part of the process?
3. What is the sectoral and organizational “landscape” of the CSP work? What sectors, mission technical teams, implementing mechanisms, government partners and (if applicable) additional USG or donor agencies are actively involved, and what is the nature of their involvement?
4. What are the main country context factors that are encouraging use of DRG integration with programming in other sectors?
5. To what extent are DRG principles explicitly or implicitly weaved into CSP? What are the main incentives/reasons for integrating DRG principles into sectoral programming? What issues/problems are addressed through the DRG lens?
6. What is the place of DRG interventions within the cross sectoral effort’s theory of change? What are the expected outcomes of DRG integration in sectoral programs? In what ways has DRG integration changed the program’s theory of change from what it had been previously?
7. What planning tools and methodologies are used to integrate governance into sectoral programs? What is the added value of these tools and methodologies (for example, requiring IPs to develop integration work plans)?
8. What constrains or promotes cross-sectoral programming at the mission level? In particular, how do working relationships, management structures and funding streams within the mission (and with USAID/Washington) affect cross-sectoral programming?
9. How does DRG integration in program design affect the organization and effectiveness of program implementation? Are there particular benefits or burdens associated with program implementation in this cross-sectoral context?
10. How is DRG integration in sectoral programming perceived by sector specialists? As a constraint to effective, efficient programming? An opportunity? Both? What specific constraints or opportunities are identified? Is CSP considered worth the investment of professional time and other resources?
11. Do staff feel that the integration of DRG principles enhances sectoral outcomes? If yes, what is the evidence for this? If it is felt that integration is not enhancing sectoral outcomes, why not?
12. What lessons may be drawn from this mission’s DRG integration efforts?
13. What should be considered when engaging in cross-sectoral project design and implementation? What are the most promising entry points for cross-sectoral programming?
14. What other donor agencies are most involved or interested in DRG integration in programming? What is their experience with such programming? What would they advise for USAID programming?

## ANNEX B: INTERVIEW PROTOCOL

**Theme: Key factors shaping DRG integration [What is the extent of integration? Why is it happening?]**

1. To what extent are DRG principles and approaches integrated into your sector's programs?
  - a. What DRG principles and approaches are the most relevant to your sector? *[note: first let the respondent provide an answer and if needed mention the following PITA principles: Participation, Inclusion, Transparency, Accountability]*
  - b. Can you give us some examples tell us how these principles are integrated into your programs?
  - c. Which programs have DRG integration out of the total number of programs in the sector portfolio? *[If Mission has provided a document/table summarizing such programs, please use this as a reference.]*
2. What are the main reasons that lead you to integrate, or not integrate, DRG principles and approaches in your programs?
  - a. What are expected benefits/drawbacks of integrating DRG approaches in your sector?
  - b. Would you say that integrating DRG is important for the success of your programs?
3. What country factors influence (positively or negatively) DRG integration in your sector? Examples of factors include:
  - a. Host country decentralization/de-concentration strategy and institutional context
  - b. Legacy of sectoral and cross sectoral programming in-country and how this affects current strategies.
  - c. Country governance context with focus on government-civil society relations and attitudes
  - d. Relationship with the US; country's role vis-à-vis US foreign policy priorities
  - e. Specific country initiatives and policies
4. What institutional factors (mission level and relation with Washington) influence (positively or negatively) DRG integration in your sector? Examples of factors include:
  - a. Earmarked funding/mandates from Washington DC
  - b. Role of front office/program office/and other management structures
  - c. Mission/technical offices Leadership
  - d. Program design process
  - e. Required indicators/reporting
  - f. CDCS, Mission Orders, or other mandates
  - g. Staff readiness/knowledge/buy-in for DRG integration

**Theme: Key features of DRG integration [How is integration being implemented and managed?]**

5. What have been the main entry points you have used to integrate DRG principles in your work *[examples of entry points include: for example: service delivery improvement, planning and budgeting processes, policy development/implementation, communication and awareness, fighting corruption, etc...]*

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6. What are the key DRG approaches/methodologies used in your programs? *[Note: May need to supply an example or two, such as social accountability programming or citizen report cards]*
  - a. Which are most useful/successful? Which are least useful/successful?
7. What is the extent of collaboration between your sector and the DRG team?
  - a. Are DRG team members involved during project design?
  - b. Are DRG team members a resource for integrating DRG at different levels of program implementation?
8. How is the integration effort managed/coordinated at the Mission or project level?
  - a. Who is involved and what are their responsibilities (implementing partner, AOR/CORs, DO Team Lead, etc.)?
  - b. Are there any mechanisms (formal/informal) in place to promote collaboration? Are they successful or not?

**Theme: Highlights of DRG integration achievements *[What are the most notable positive DRG integration accomplishments that this case elicits? Are there lessons from other donors?]***

9. Would you say that DRG integration has positive, negative or neutral impact on outcomes in your sector?
  - a. Can you mention specific outcomes?
10. How has that impact (positive/negative/neutral) been documented? How confident are you that DRG interventions played a role?
  - a. Do you measure outputs/outcomes of DRG interventions in your programs? Why/why not?

**Theme: Lessons Learned and limitations of DRG integration *[What are the major areas calling for further work in DRG integration, and what can be done to address these? What are the key learning learned for promoting DRG integration?]***

11. What are the main barriers to DRG integration? What can be done to overcome these barriers?
12. What are the main lessons learned from your experience integrating DRG into your sector?
  - a. Any best practices that should be replicated? Are there specific tools/methodologies that are particularly effective in your sector?