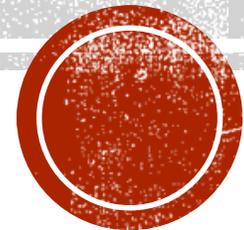


OPENING THE BLACK BOX MANAGING THE AID POLICY PROCESS IN PAKISTAN



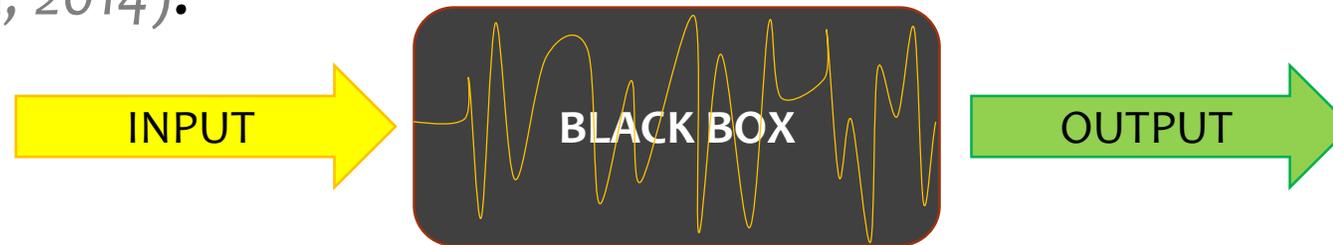
Faheem Jehangir Khan
National Institute of Management-Islamabad
National School of Public Policy, Pakistan

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BLACK BOX ?

- ❑ The ‘**black box**’ is a part of any system model or theory that assumes its operation without explaining how exactly that part of the system processes or translates inputs into outputs (*Birkland, 2014*).



- ❑ Many scholars have suggested the need to open the ‘black box’ of the aid delivery system to gain a deeper understanding of how the aid policy process work in practice.



INTRODUCTION

- ❑ Extensive research and analytical work on foreign aid in the last six decades.
 - To evaluate inputs and outputs or outcomes (aid effectiveness) using quantitative methods or econometric models.
 - Rarely considered the practical working of the aid policy process – specifically, how aid decisions are managed and transformed into action, the ‘**black box**’ notion.
- ❑ Apart from examining aid effectiveness, it is equally important to understand how actors interact to manage the aid policy process in a complex aid policy network.



RESEARCH SCOPE

Research Objective

- ❑ To explore how in practice donors and the Pakistan government interact to manage foreign aid in the aid policy network.

The Central Question

- ❑ What **network management strategies** actors employ to manage the aid policy process in Pakistan?
- ❑ This research used the Klijn & Koppenjan (2016) **process (or game) analysis** to explore specific network management strategies donors and the Pakistan government employ to govern the aid policy process, and facilitate game and network interactions, including around the Millennium Development Goals.



THEORETICAL DIRECTIONS

Network Management Strategies

Process Management Strategies

Institutional Design Strategies

1. *Connecting Strategies*

2. *Exploring Content*

3. *Process Agreements*

For details: Ayres & Stafford, 2014; Klijn et al., 2010; Klijn & Koppenjan, 2016; Koppenjan and Klijn, 2004



METHODOLOGY

- ❑ Qualitative research
- ❑ Semi-structured interviews
- ❑ Purposive-snowball sampling
- ❑ Face-to-face executive interviews
- ❑ 43 interviewees in total
 - 12 from donors (six each from major and other donors)
 - 13 from the Government (9 federal and 4 provincial government)
 - 6 from the external interest group
 - 7 from the domestic interest group
 - 5 from independent groups



RESEARCH FINDINGS

CONNECTING STRATEGIES

- The **scale of funds** and donors' **technical expertise** seem to be the most important considerations for building new, or strengthening existing, aid relationships.
 - The Pakistan government ***prefers to collaborate*** and interact more frequently with a small number of large multilateral and bilateral donors, rather than interacting with numerous smaller development partners.
 - ❖ Smaller development partners often have limited funds for specific policy sectors or interventions, carry a low level of technical expertise compared to major donors, and have small-scale operations.
 - ❖ Interactions with major donors were considered cost effective, as it lowers transaction costs compared to processing and implementing multiple small projects.



RESEARCH FINDINGS (2)

CONNECTING STRATEGIES

- ❑ Donors usually seem to succeed in **influencing the decision-making process** through resource mobilisation:
 - Mobilise, or withdraw, funds in line with their existing country partnership strategy
 - Maintain close contacts with top government management
 - Create incentives
 - Impose conditionalities
 - Present research evidence
 - Use political and diplomatic influence
 - ❖ The government's foreign exchange requirements, weak domestic research base, and the value of project (or private) benefits in the eyes of government officials further strengthen the position of donors to influence policy decisions.



RESEARCH FINDINGS (3)

CONNECTING STRATEGIES

- ❑ Not only do donors seek influence over the policy choices of the government through **creating incentives**, but some government officials also proactively seek fringe benefits that would not otherwise be available to them.
 - ❖ In fact, project (or private) benefits are sometimes viewed as more important considerations for government officials than research evidence, technical soundness of the idea or expected outcomes.
 - ❖ In such a scenario... incentives may lead to delaying tactics – reluctance to share information and disinclination towards meeting agreed targets – in managing the aid policy process.



RESEARCH FINDINGS (4)

EXPLORING CONTENT

- ❑ Academia and think tanks in Pakistan are not particularly effective at producing **high-quality research**.
 - ❖ This is because of inadequate funds, a poor human resource base, lack of analytical skills, and poor quality data. These problems limit their influence on government policies.
 - ❖ Since the research base is widely thought to be not strong enough in Pakistan, the government sometimes has to rely on the evidence provided by the donor in the absence of domestic research.
 - ❖ This provides donors with an edge over the government in policy dialogues and project negotiations, and opens up possibilities for them to utilise their research to influence policy decisions in donor-government engagements.



RESEARCH FINDINGS (5)

EXPLORING CONTENT

- ❑ There was **no formal platform** in Pakistan where development partners and the government could interact frequently, share information, float innovative ideas, and learn best practices to improve coordination and cooperation to make aid work better.
 - ❖ In the absence of a formal platform, actors rely on the stated objectives articulated in their respective policy/partnership documents; knowing in advance of a mutual interest in a certain policy sector.
 - ❖ The absence of a formal platform not only results in weak donor-donor coordination in Pakistan, but can further empower a few influential actors in the aid policy network.



RESEARCH FINDINGS (6)

PROCESS AGREEMENTS

- ❑ The donor-government interactions are not always smooth since each process involves a certain degree of **conflict** which sometimes leads to **stagnation** in collective choice and/or collective action situations.
- ❑ Probing reasons which could lead to **stagnation in aid relationships**:
 - **Donor officials** blamed the Pakistan government for *initiating politically-driven and technically infeasible* project proposals/initiatives.
 - **Government officials** held donors liable for *inflexibility* over their preferences and set procedures.



RESEARCH FINDINGS (7)

PROCESS AGREEMENTS

- How donor and government officials manage stagnation?
 - Continue strategic interactions and assess other policy options
 - Generate incentives, utilise informal channels, present research evidence and/or involve technical experts
 - Closed-door discussions
 - Seek assistance from a mediator



RESEARCH FINDINGS (8)

PROCESS AGREEMENTS

- ❑ **Informality** in aid relations helps to:
 - Remove or limit the possibility of conflict and overcome stagnation in the game, strengthen aid relationships through clarifying goals and perceptions, and facilitates actors in avoiding or clarifying miscommunication.

- ❑ Some **downsides** of informality:
 - Experiencing (undue) high expectations of colleagues related to process management.
 - Encourage individuals to seek personal favours and project (or private) benefits more readily.
 - May lead to institutional memory loss.



CONCLUSION

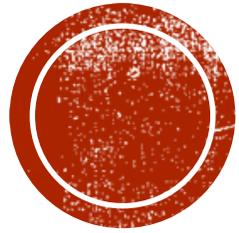
- ❑ **Connecting strategies** – e.g., initiating new interactions, resource mobilisation, and creating incentives for cooperation – were the most prevalent strategies in managing the aid policy process in Pakistan.
- ❑ The absence of **formal (specialised) platforms** did not only result in weak donor-donor coordination in Pakistan, but further empowered a few influential actors in the aid policy network.



CONCLUSION (2)

- ❑ This research revealed pivotal roles of ***incentives***, ***research*** and ***informality*** in managing the aid policy process in Pakistan.
 - In donor-government interactions, these were considered to be powerful tools that help initiate new interactions, mitigate stagnation and enable actors to influence policy decisions.
- ❑ **However...**
 - ***value of donor-led incentives*** in the eyes of government officials may lead to delaying tactics in managing the aid policy process and/or further strengthen the position of donors to influence policy decisions
 - ***weak research base*** in Pakistan may open up possibilities for donors to utilise their research to influence policy decisions in donor-government engagements, and
 - ***informality*** could lead to complications in managing the aid policy process.





THANK YOU

Faheem Jehangir Khan
National Institute of Management-Islamabad
National School of Public Policy, Pakistan

faheem.jehangir@gmail.com
[@faheemjkh](https://twitter.com/faheemjkh)