



**Shaping policy for development**

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# Localising Aid

Political and Public Messaging

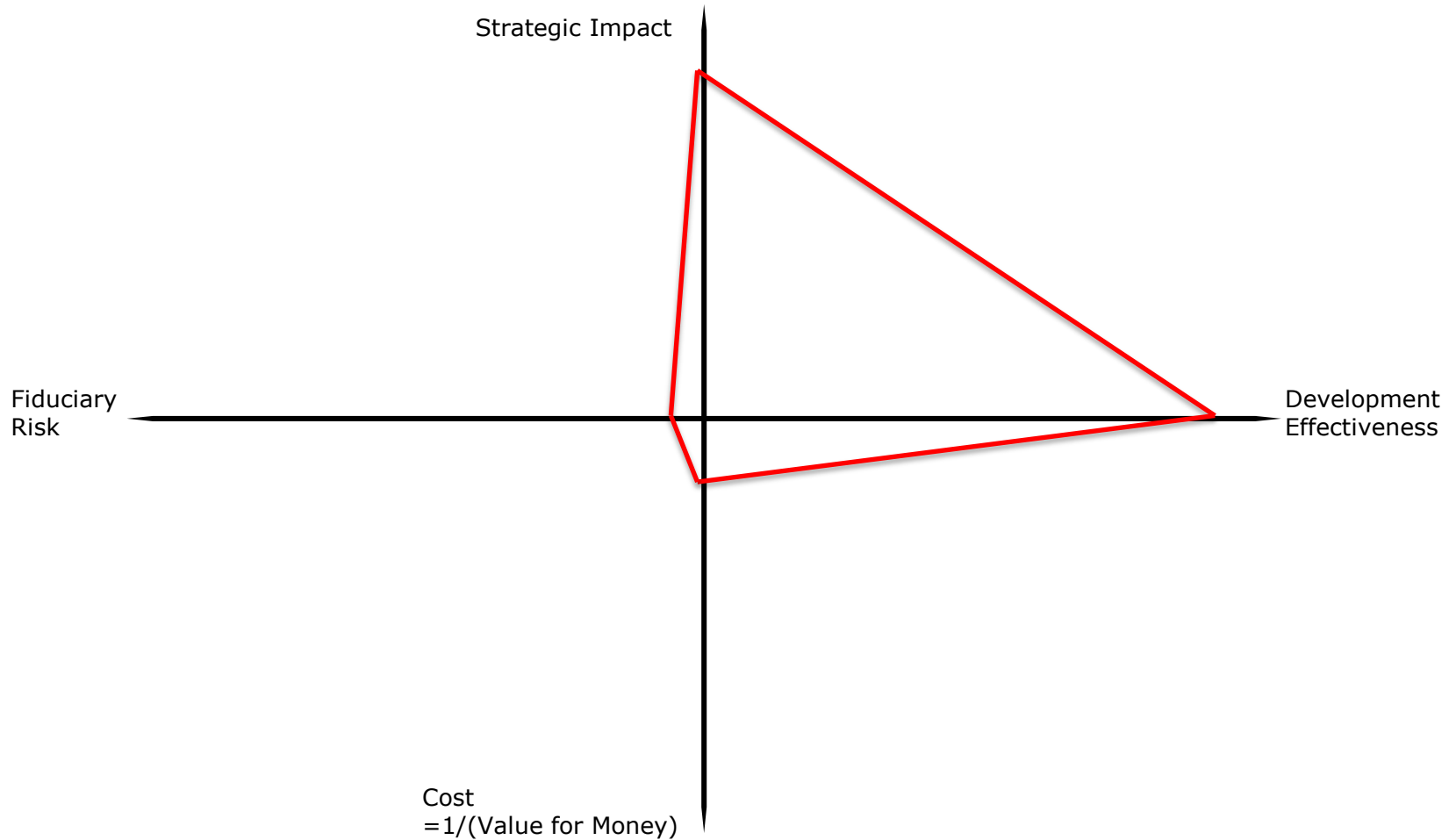
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**9 July 2013**

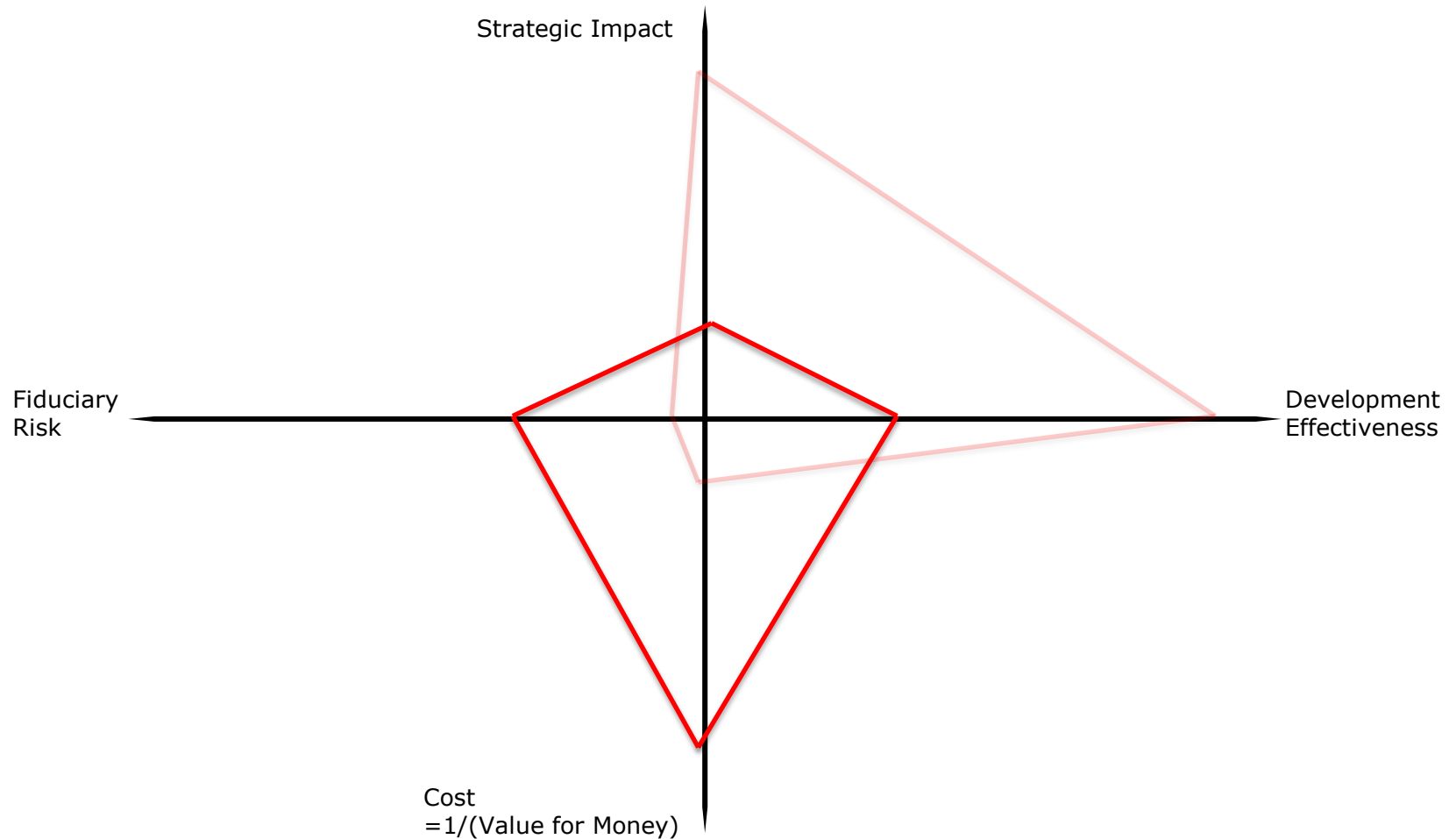


# Trying to have it all with non-localised aid: Myth



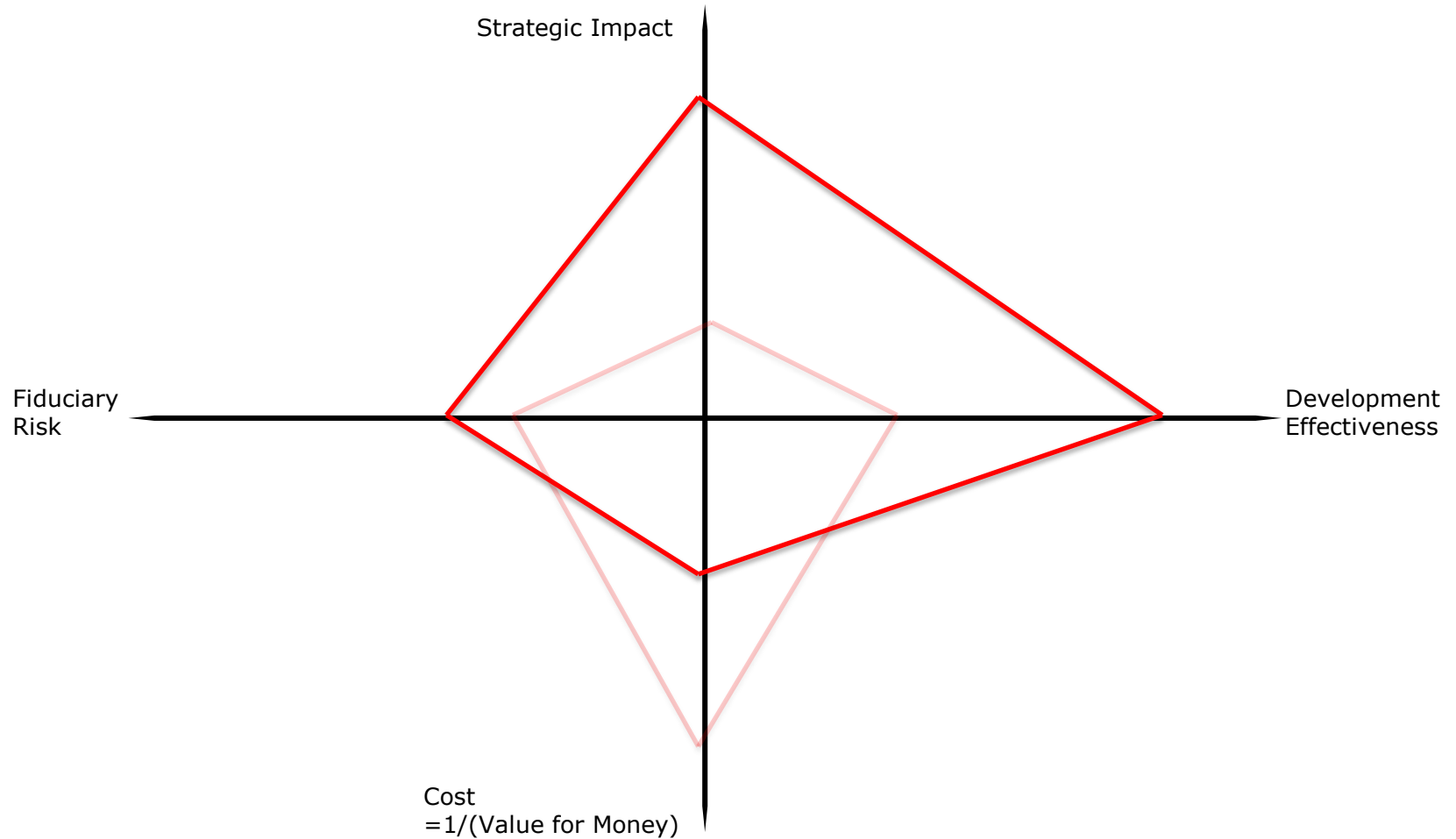


# Trying to have it all with non-localised aid: Reality



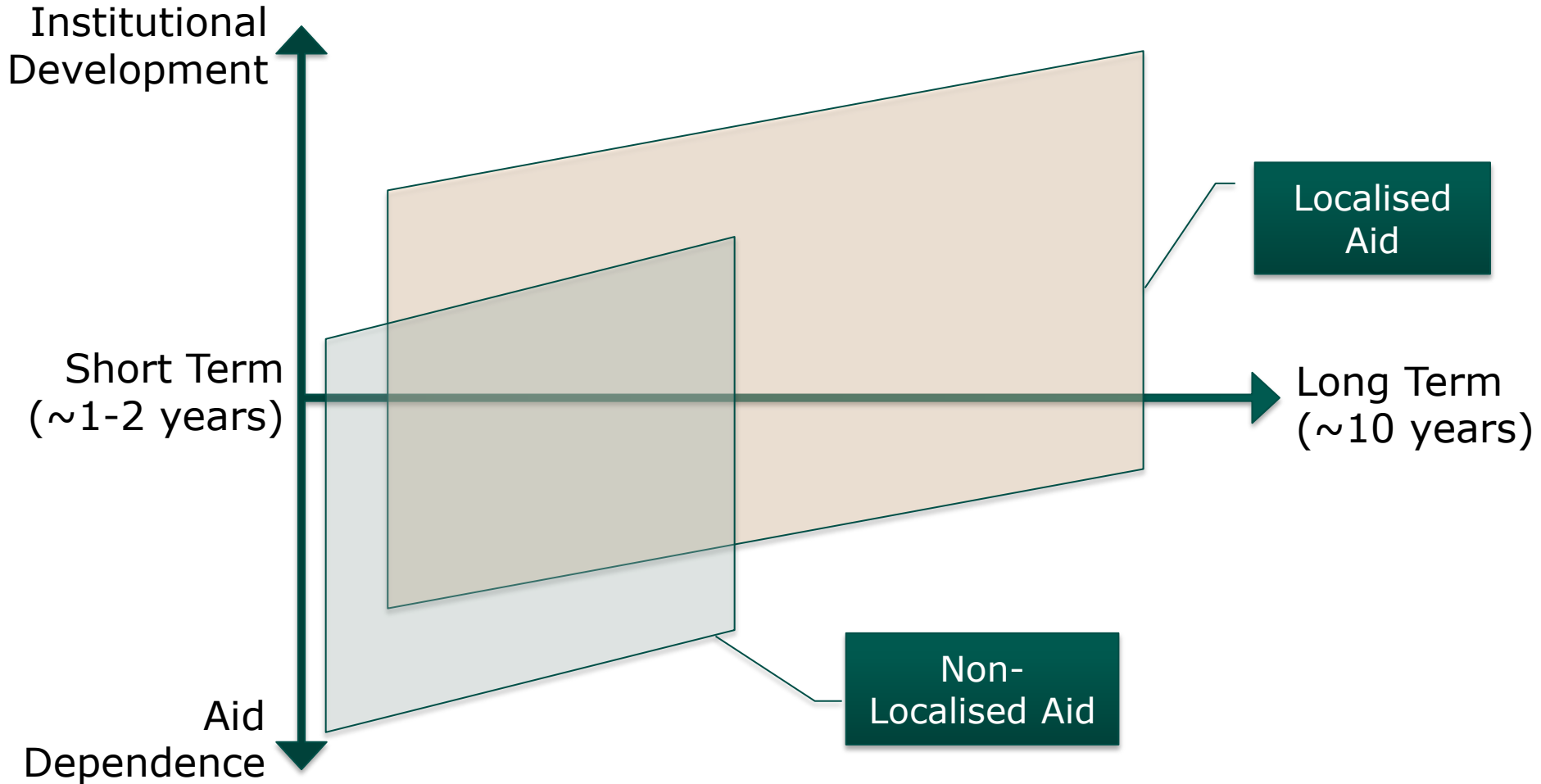


# Different risk-reward tradeoffs with localised aid





# Different Time, Institutional Development & Aid Dependency Profiles





## Mobilise constituencies with an interest in development. Communicate mutual interests & constraints with others.

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1. Link aid objectives with constituencies that can provide support:
    - Communicate tradeoffs among objectives & aid instruments. Don't over-simplify. Transformational outcomes are not without risk.
    - Do No Harm (e.g. disempowering legitimate authority, donor branding, etc.)
    - Be frank about timeframe tradeoffs & defer to recipient, who may be more patient.
    - Present results across portfolio, not projects.
  
  2. Be frank about fiduciary risks that public (and private) expenditure everywhere faces & actively manage them:
    - State clearly that tolerance for risk is not tolerance for risk outcomes that waste donor money.
    - Show how mitigation lowers risks.
    - Show the tradeoffs between fiduciary & programme failure risks.
    - Recognize that objectives & risk appetite varies by country and design policies and programmes accordingly.
    - Don't be abstract – use countries of strategic importance to create precedents for better risk management.
    - Establish credible processes for managing risks and risk outcomes, and capacitate staff to manage them – balance bureaucratic autonomy & rules.
    - Consider multilateral channels when risk tolerance in a particular country is low.
  
  3. Ground policy in research based evidence & feedback from experience. Communicate these findings to wide audience.
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## Manage constituencies at the programme/project levels by communicating sound programme design & country level risk management.

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1. Well designed programmes that recipients see as legitimate and which are communicated with donor constituencies:
  - Clear, prioritized objectives.
  - Realistic time-frames for results.
  - Identify, support & nurture development-orientated counterparts who justify risk-taking.
  - Choose aid instruments based on country context and aid objectives.
2. Manage donor & country constituencies:
  - Don't over-promise on results – under-promise and over-deliver.
  - Don't get pushed into using development instruments to achieve political, security or other objectives unless evidence shows a good chance of success.
  - Don't promise undeliverable results to secure funding.
  - Don't accept unreasonable time-frames for results.
3. Proactively manage risks to generate confidence:
  - Approach risks as systemic country issue, not just a transaction problem.
  - Show how mitigation lowers risks.
  - Be frank about residual risk that remains.
  - Show trade-offs among risks, results, and costs.
  - Have plan for detecting & managing risk outcomes.
  - Deal with risk outcomes promptly & transparently.
  - Use special risk mitigation measures in high risk situations (e.g. fragile states)





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