

LINKING CONTEXT AND STRATEGY IN DONOR SUPPORT FOR DECENTRALIZATION: A DIAGNOSTIC FRAMEWORK

SCOTT A. FRITZEN

LKY School of Public Policy, National University of Singapore

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Comments welcome at fritzen@nus.edu.sg

SUMMARY

International donors, long-standing supporters of decentralization reforms in developing countries, often face the challenge of aligning program assistance to the great variety of country governance settings in which many operate. This paper presents a framework for assessing the implications of governance and institutional context for a range of programming challenges, with particular reference to the challenge of decentralized programming. The framework has three conceptual steps. Country governance and institutional change environments are first described in terms of how enabling governance capacities are for decentralized programming, and how rapid and predictable the rate of institutional change is. Second, these environmental considerations are associated with overall assistance modalities of donors, in areas such as the type of partners sought and interventions selected. Third, a range of options concerning the aims, scope and extent of decentralizing programming are reviewed and linked to the diagnostic framework above. The framework is broadly derived from organizational contingency theory, which it is argued has been relatively neglected in the study of development administration due to a preponderance of analysis based on single-case studies.

Keywords: decentralization, strategy, donor, contingency theory, developing countries

INTRODUCTION

International donors face three important challenges in adapting their assistance strategies to the developing country settings in which they operate. The first is coping with the sheer diversity of country governance settings, running the gamut from failed to relatively strong states and democratic or authoritarian systems (Manor, 1999). Such diverse contexts place a premium on the capacity to translate uniform global priorities or mandates meaningfully into locally relevant programs and strategies. The second is the rapid, and often accelerating, pace of institutional change in many countries, making long

term planning tenuous (Hill, 2002). The third challenge comes from changing modalities of donor support. Sector-wide approaches (SWAp) attempt to improve coordination, country ownership, and the quality of 'upstream' policy advice (Nielson, 2001; Jeppsson, 2002); these coexist for many donors with a 'development projects as policy experiments' (Rondinelli, 1983) approach, for instance in Community-Driven Development projects (Das Gupta *et al.*, 2004). Linking 'upstream' and 'downstream' avenues of assistance can pose substantial capacity and strategy challenges for donors, which must work closely with a wide range of partners in often rapidly changing policy environments (Romeo, 2003).

Changing patterns of center-local relations constitutes one of the most prominent environmental changes that donors confront, both in terms of influencing the achievement of their mission and, increasingly, becoming part of that mission itself. Many donors have been strong advocates of decentralization reforms in a wide variety of countries that are experiencing pressures to decentralize to different extents, and adopting reforms for a wide variety of reasons (Manor, 1999). Yet two decades after Rondinelli and Nellis (1986) made the case for "cautious optimism," such reforms have often fallen far short of expectations, for a number of reasons, including *inter alia* elite capture and the tendency for decentralization to widen fiscal and administrative performance disparities between different local government units (SLSA Team, 2003).

Against a background of increasing donor caution of donors in supporting decentralization reforms, the academic and 'grey' literature contains a number of case studies of specific donor efforts in this area. Among these case studies are numbered both 'successes' and 'failures', with differing assessments common even for the same countries, as in Cambodia (Blunt and Turner, 2005; Turner, 2002), Bolivia (Kohl, 2003; Nikson, 2005), or Uganda (Jeppsson, 2002; Kasfir, 2005). Nevertheless, whether observers find evidence of donor success or failure, methodologically the field remains somewhat limited by the predominance of single-case analysis. Partly as a result, nuances in context and donor aims tend to be lost in the analysis.

Aims and scope

This paper attempts to add to our understanding of the interplay between context and strategy in donor support for decentralization. The paper highlights a number of

contextual cues which will have implications in many instances for the programming decisions donors will face, and it highlights the role that center-local variations may have in this regard.

Though presented as a generic framework, this paper is derived from field experiences with several donors, including several UN agencies, bilateral donors and larger international NGOs, in five Southeast Asian countries. The framework is broadly applicable to donors that: a) operate in multiple, diverse country governance settings; b) strategically program for some mixture of service provision and advocacy for policy change or learning, with some discretion at the country office level regarding the mix and composition of the package; and c) work in conjunction with a variety of government and potentially non-governmental partners at central and local levels. While a wide range of donors fit these conditions, the analysis will naturally need to be considerably customized for donors. The broader intention of the paper is to call attention to the usefulness of a contingency approach to strategic donor programming in this and other program areas, a point taken up in the discussion section.

In what follows, the paper posits that decentralization context and programming are linked through a 'strategic triangle' of challenges, corresponding to three conceptual moments in the strategic programming process: a) the assessment of the governance and institutional change context; b) the alignment of goals for decentralized programming to that institutional context; and c) the generation and assessment of assistance modalities for meeting those goals that are programmatically feasible. We now handle each of these in turn.

ASSESSING GOVERNANCE CAPACITIES AND CONTEXT

Development assistance can be understood as a set of systematically planned interventions to change the order of things (Brinkerhoff, 1991). Such interventions occur within a context, one that is often changing itself due to myriad pressures. Thus the two starting points for a diagnostic framework are to assess a set of underlying governance characteristics and capacities that determine that context, and that are typically the 'target' for such interventions. A potentially huge number of aspects of a country's governance context may be relevant to a particular donors, and thus the discussion here can be no

more than indicative; but it is useful to paint three broad capacity categories particularly important for development outcomes in the social sectors: political, operational and social. These can be assessed both substantively for the area in which the donor is working, and in terms of center-local relations.

Political capacities refer here to the question of what is normally (and often misleadingly) termed 'political will' (Fritzen, 2006). Why would any government mobilize the resources of a polity for one aim – such as improved social welfare – rather than another – such as self-enrichment of elites? The notion of political 'capacities' takes this question beyond a voluntaristic formulation to stakeholder (Rietbergen-McCracken, 1998) and institutional (Brinkerhoff, 2002) analysis. The latter refers to the incentives, information and enforcement characteristics of a governance setting, which facilitate particular kinds of collective action. This perspective is important when looking at policies affected by the 'orthodox paradox' – in which the very actors posited to be the source of a policy problem are those most critical to implementation success (as often encountered in anti-corruption programs) (Fritzen, 2006). Political capacities include such factors as conditions for effective political representation; competition, which introduces consequences for the performance of the people's representatives; and formal rules and restraints on those who wield political power, from sources such as formal elections and informal pressures from the media, donors and various interests groups (World Bank, 2005). Such pressures might even stem from sub-national governments in federal systems where these have an autonomous sphere of authority.

Operational capacities are the next broad category, involving the technical skills of the bureaucracy as well as the institutional framework that determines the incentives in which bureaucratic actors work. Key operational capacities include the strength of information systems underpinning goal setting and indicator monitoring, and for organizational learning and adaptation; resource allocation systems to ensure adequate resources to goals of collective importance; and implementation systems for coordinated service delivery (OECD, 2006). A number of complex relationships can be examined to assess operational capacities. A starting point is to examine patterns of accountability: how is this relationship between political and administrative authorities structured (World Bank, 2005)? In the extreme case, one might see a loose (or no) coupling, the line ministries having become fiefdoms of their own, with little 'horizontal' accountability to the elected

representatives of the people. Such an extreme is in fact often encountered at local level where local government officials themselves are not elected, or where they enjoy tenuous (if any) formal accountability over service providers. Similarly, one can examine the effective accountability, if any, service providers at the local level have to the end users of their services (World Bank, 2005).

Social capacities refer to the ability of non-state actors to participate meaningfully in the exercise of power in a governance system. Several modes and types of 'political' participation can be considered, as well as broader participation in the development process. The ability to elect office holders at central and local levels is obviously an important capacity determining whether a system is democratic or not. Associations formed for people's own interest and protection also may be effective means for their participation in formal political processes and decision-making. This is particularly true when important areas of public policy are delegated to such groups, as when local irrigation user groups take control of complex infrastructure systems in collaboration with local governments or technical agencies. The way in which feedback and consultation with the public on important decisions is conducted is another important avenue where 'voice' (as participation is often termed) comes into play (World Bank, 2005). A different analytical tradition, stretching from de Toqueville's famous work on American democracy to Robert Putnam, emphasizes the role social capital – defined by one analyst as "the norms and social relations embedded in the social structures of society that enable people to co-ordinate action and to achieve desired goals" (Narayan, 1999: p. 6) – in contributing to development outcomes and structuring the relationship between society and the state.

These three sets of capacities are clearly interdependent – indeed, weaknesses in one can impose binding constraints on any of the others – and a range of more or less 'enabling' factors of the policy environment for the purposes of decentralized programming can be extrapolated. The capacities need to be assessed in an intergovernmental context in terms of the degree of effective devolution and the capacities at different local levels. The capacities described above are also typically in motion. When do substantive shifts in governance capacities and context occur? To answer this question, it is useful to distinguish between three types of 'change environments':

- *Stable and disadvantageous*, in which poor governance has led to stagnation and few signs of significant change are on the horizon;

- *Transitional* environments, describing periods of rapid political or economic transformation; and
- *Advantageous and relatively stable*. This would include countries or regions with enabling policy environments and fairly stable socioeconomic conditions.

Ultimately, the challenge will be to locate donor programming challenges within this framework. It is to this that we turn in the next section.

CREATING CLARITY OF PURPOSE IN DECENTRALIZED PROGRAMMING

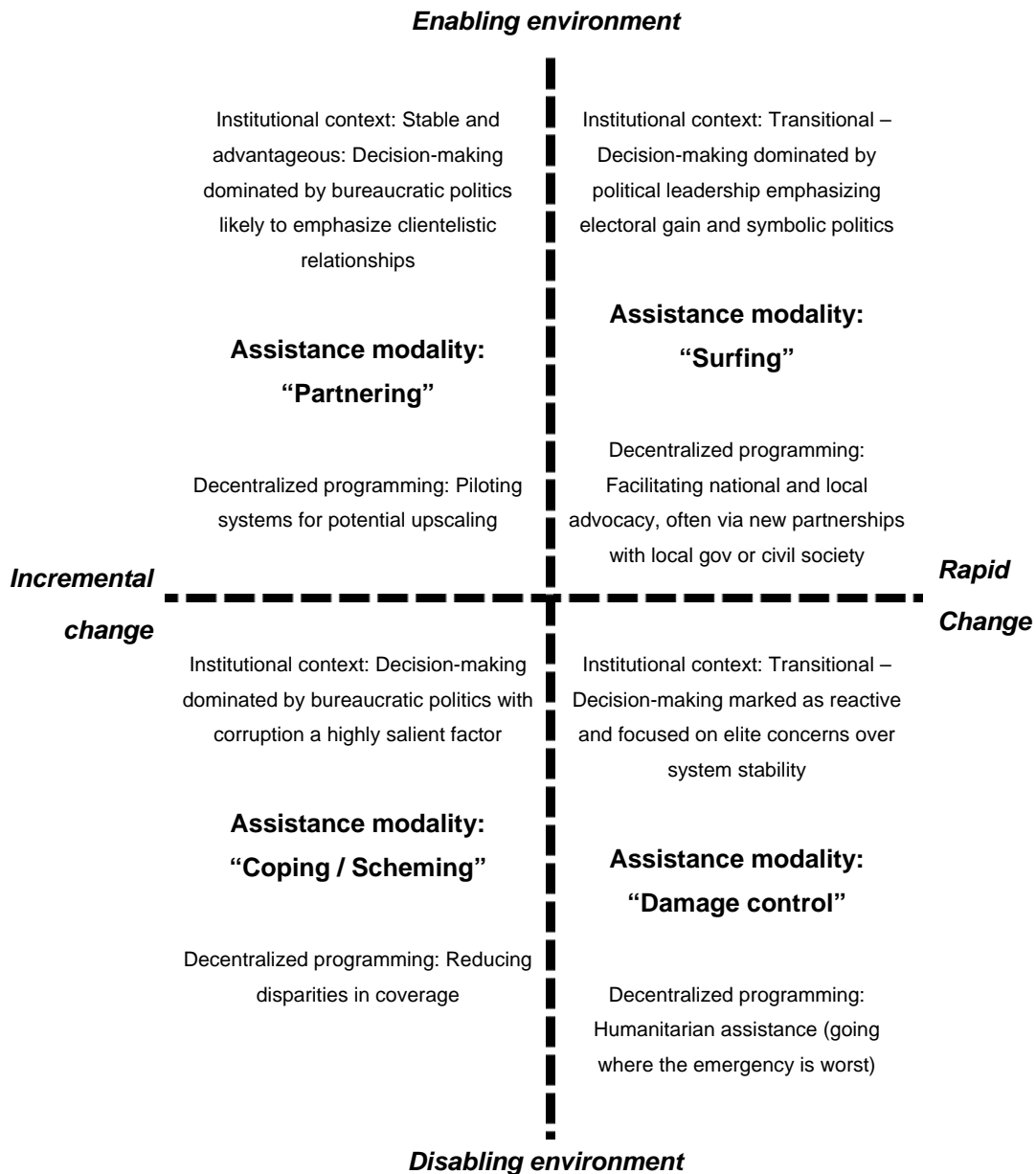
Decentralized programming is subject to a wide range of interpretations and alternative goal specifications. Often, donor planners fail to articulate clearly (for themselves internally and others externally) justifications for the structure of a ‘country program’ (CP) – defined in this context as any coherent country-level strategy for pursuing a donor’s agenda – the balance it strikes between national- and local-level advocacy, or the geographical spread of program investments. These elements may reflect almost *ad hoc* historical developments within a CP. That is why improved clarity of purpose with regard to decentralized programming can be a vital starting point, in which several challenges are evident.

Figure 1 presents a summary picture of the governance context as discussed in the previous section, together with four ‘ideal-typical’ categories of donor assistance strategies. On the vertical axis, the labels ‘enabling’ and ‘disabling’ are intended to reflect a donor’s summary assessment of the strength of the political, operational and social capacities relevant to that donor’s work. The pace of change of the horizontal axis, in turn, refers broadly to both policy reforms and exogenous context, such as macroeconomic shocks or political instabilities. In the resulting quadrants we characterize typical donor assistance strategies at the broadest level, from which will flow a number of programming implications impacting decentralization.

Arguably the most stressful working modality for a donor is the ‘damage control’ mode, critical for protecting donor priorities in an inhospitable environment. This represents a crisis mode in which change is rapid (and usually in a negative direction as the overall policy environment is unfavorable). In this mode, the donor is mobilized to combat the possibility of a rapid further deterioration in the environment underpinning its agenda.

One might summarize the image of this modality with the archetype of the fire fighter rushing to the scene (probably the work of an arsonist).

Figure 1. Dominant donor assistance modalities in different governance contexts



The ‘coping / scheming’ quadrant is named to reflect a dual focus – working for towards changes in the governance capacities (incremental and/or advocating for the

removal of major constraints) in a non-receptive context. This requires ‘scheming’ in the sense that frontal advocacy for systemic change is highly unlikely to be effective in countries with pernicious governance patterns; donors must therefore be strategic in the types of changes and avenues pursued.

‘Partnering’ reflects the potential and desirability of working with government and other counterparts within a generally facilitative environment that is relatively stable. Here, the major opportunity is one of promoting policy learning and the institutionalization of best practices, since the government has by definition generally shown a positive commitment to the donor agenda. Figuring out how to overcome specific implementation constraints is thus the key issue in this mode.

Finally, the ‘surfing’ category – in which the governance environment is generally favorable *and* rapid changes are bringing new challenges – is one that presents significant opportunities that are nevertheless difficult to grasp. Rather than controlling the pace of change and carefully selecting the organizational response to it, donors in this environment must attempt to “surf” the changes, positioning themselves so as to take advantage of and influence the direction changes are taking. The archetype of the entrepreneur might sum up the challenges in this quadrant.

The framework can assist in drawing out implications for programming in a number of areas, presented in an indicative format in table 1. Context will shape the cues to which government counterparts and partners will be most sensitive as well as the governance capacities that impose the greatest constraints on the achievement of donor goals. The dominant assistance modality arising from the context will in turn strongly influence the balance of different interventions selected by a donor, as well as their substantive character.

Donors will also need to assess the anticipated direction of change in a country. If a major transition expected from the ‘scheming’ to ‘damage control’ quadrants, for instance, then the substantive focus of donor strategy may be a hybrid of the elements in table 1: core capacity building functions (such as immunization, in a health sector context) may continue to be built up while emphasis is placed on the prevention of a total breakdown of the delivery system during an emergency. Likewise, if the overall governance environment is favorable *and* is poised for a period of rapid change (e.g. due to a new pro-reform government taking office, for example), then a donor may wish to strengthen

advocacy functions embedded within the pilot aims of the “partnering” modality in preparation for this. One must assume in either case that ‘policy windows’ of opportunity (Kingdon, 1995), once open, may shut relatively quickly, as periods of rapid reform are usually brief. Table 1 and the set of considerations it reflects cannot be mechanically applied – there are too many relevant variations in country environments and donor interventions – but is meant to establish some of the right questions.

Table 1. Country Program strategy considerations under different donor assistance modalities

	<i>Dominant donor assistance modality</i>			
	Damage control	Coping/Scheming	Partnering	Surfing
Characteristics of environment				
<i>Dominant concerns of govt. decision-makers</i>	Systemic stability; preventing challenge to exclusionary practices; maintaining dominant position	Ensuring access to rents (including foreign projects) – corruption key concern	Developmental; reducing policy-implementation gaps	‘Symbolic politics’; controlling change; and systemic stability
Office challenges				
Typical challenge in relating with government counterparts	Ensure access to humanitarian sites while advocating minimum harm	Work with inefficient/corrupt bureaucratic actors while attempting to gain access to political leaders	Bring bureaucratic actors together for greater coherence of approach	Appeal for institutional changes that are creative responses to changing environment
‘Binding’ governance capacity constraint	Political ; possibly systemic breakdown (failed state)	Political	Operational	System-wide learning
Office focus	Crisis-management, reactive	“Entrepreneurial coping” - protecting basic functions looking for opportunities for change	‘Technical’ – seeking incremental improvements or new opportunities in an already favorable setting	“Entrepreneurial positioning” of the office to take advantage of, and influence, direction of change
Focus of interventions:				
Service delivery	Prevent collapse in service delivery systems.	Build on low coverage for basic services.	Strengthening overall capacity; piloting means of narrowing coverage gaps in hardest areas.	Institutionalizing innovations; Contributing to institutional re-engineering.
Capacity building	Prevent “decapitalization” or ‘development-in-reverse’	Careful selection of core functions to build on.	Experimentation, pilots with high government involvement.	
Community empowerment	Work with non-state actors to limit damage and strengthen resilience.	Work with communities to ‘bypass’ ineffective state structures	Push boundaries of community-state linkages for greater accountability; promote participation	
Advocacy focus	mobilizing resources or removing immediate cause of emergency	Removal of structural constraints <u>or</u> working within these for incremental improvements	Helping govt. meet international commitments, overcome policy-implementation gap.	

GENERATING PRACTICAL OPTIONS FOR DECENTRALIZED PROGRAMMING

As the overall assistance modality becomes more settled, a range of options for the specifically decentralized aspects of a country program (CP) come into sharper focus. Building blocks of decentralized programming fall into some predictable categories.

Setting goals specific to decentralized programming

A review of donor programs in several countries suggests a template of four categories of such goals, which are not mutually exclusive:

- *Synergistic impact*, in which multiple interventions are targeted onto a narrow range of localities or population groups in order to remove multiple binding constraints on the desired development outcome;
- *Modeling intersectoral implementation*, in which pilot projects attempt to contribute towards moving the governance context at the micro-level (the project context) in an enabling direction, with the hope of demonstrating the wider applicability of the intervention;
- *Disparity reduction*, which can be achieved by either geographically converging donor assistance onto particularly poor regions of a country, or by strengthening mechanisms at the local level for targeting vulnerable groups within poor localities.
- *More effective internal organization and management*, in which decentralized programming is often seen as a way of lending coherence and focus to the CP as a whole, compared to one which is merely a collection of sectoral interventions and counterparts not integrated operationally or geographically.

We return to the issue of how these goals are related to context below.

Scope of decentralized programming within Country Program

Another critical question is to establish how large the geographically concentrated component of the CP should be, and how much investment should be put there. There are several variations observed in practice among different donors:

- Having virtually no common implementation areas;

- Having small intersectoral pilot programs; through to
- Intersectoral programming focused on common set of local governments being a major structural feature of the CP.

As the scope for a decentralized, geographically concentrated programming widens, it consumes an increasing share of CP resources, both human and financial. What are the governance and other considerations that would help determine the appropriate balance between geographically focused and non-focused programming? The question can be phrased in terms of typical reasons to be working at the national or local level in a particular country setting.

There are several possible justifications for not focusing a sizeable percentage of program components onto geographically fixed areas. One is the perception that there are still major opportunities for 'going to scale' with low-cost, high-impact interventions. To a large extent, such opportunities correlate with the level of social development of a particular country; where it is very low, it is more likely that there are still unrealized gains. Another factor is the degree of priority given to special target groups, which typically necessitate more decentralized programming to facilitate better targeting. In the health sector example, an example of the above dichotomy might be an immunization program as opposed to programs targeting individuals living with HIV/AIDS.

There are several additional situations that may heighten the salience of a focus on local actors through decentralized programming:

- Where there are multiple programs that are substantively oriented towards geographically concentrated target groups, and with which one cannot 'go to scale' (because resources are insufficient, political commitment to the adoption of such models is limited, or the models themselves are still in development);
- Where significant interregional inequalities exist that make it essential to pilot different modes in different parts of the country;
- Where public-sector decentralization trends are either in the offing or already well advanced.
- Where the policy environment is favorable for institutional and policy experimentation at the local level that can be fed up to larger systems (and thus have a multiplier effect).

Figure 1 above suggests some typical interactions between the office focus on decentralized programming and the governance context. To a large extent the form these variations take will be determined by the balance between national-level vs. local investments. Prospects for piloting systems associated with decentralized institutional arrangements will depend on how enabling the governance environment is; such a focus is unlikely to be very easy to attempt in the ‘coping/scheming’ quadrant (and irrelevant in conditions of ‘damage control’). Moreover, the question plaguing small intersectoral pilots has always been that of demonstrating clear potential for upscaling. What is the replication strategy? What is the strategy for having a broader institutional impact?

Table 2. Central and local investment focus in different Country Program modalities

	Central level work	Local level work
Damage control	Calling for external support	Delivery; identification of the vulnerable
Coping and scheming	Focusing on causes of poor performance	Bypassing ineffective structures to work with communities / NGOs
Partnering	Maintaining attention onto national goals; advocating for changes to legal framework; focusing on vulnerable sub-populations	Piloting means of overcoming policy-implementation gap
Surfing	Institutionalization of lessons learned; system-level recommendations	Diversifying local partnerships (systems typically decentralizing)

Table 2 builds on these ideas by hinting at the complementarity and tensions often exist between geographical coverage vs. nation-wide or central-level work within a CP. Some interesting trade-offs emerge from this analysis:

- In the partnering mode, the tradeoff between a focus on special vulnerable groups (such as the urban poor or HIV) vs. geographically concentrated target groups may be particularly acute.

- In the partnering and coping modes, a critical question concerns how much emphasis is given to equity as opposed to efficiency considerations. The equity criteria may suggest a geographical focus on the hardest to reach localities, whereas efficiency may favor a more nation-wide approach (depending again on the existence of relevant models).
- In the 'surfing' mode, one question concerns the extent to which the office will be able to partner with other donor players on issues that figure prominently on the policy agenda, via sector-wide approaches and/or frameworks for donor coordination such as the United Nations Development Assistance Framework (UNDAF) or the Poverty Reduction Strategy Paper (PRSP) process.
- For the 'surfing' mode, there may be a need to keep experimentation with local systems within some boundaries, since the institutional framework within which such experimentation is to take place is still being worked out and therefore vulnerable to the rapid changes.

Degree of decentralization (local control within intersectoral programming)

In addition to the general modalities of donor support shown above, one can identify specific types or levels of interaction with local governments and/or communities through decentralized programming. In escalating degree of *intersectoral coordination* and *local control*, five broad levels are discernable.

1. *Geographical convergence* of services with no coordination is the 'no decentralization' category, in which the only change from a purely centralized and sectoral system is parallel implementation in selected localities. No particular coordination functions are assigned to local government units, except through sectoral channels.

2. *Coordinated implementation* involves the attempt to communicate donor assistance with greater transparency to local authorities, and to achieve some basic coordinated work planning. Joint monitoring and evaluation as well as some two-way information flows to handle implementation problems become possible.

3. *Local intersectoral programming* marks a further level of coordination and local government capacity. Local plans going beyond donor-provided inputs are strengthened. Local intersectoral programming ranges significantly in sophistication, from an *ad hoc* plan

created by a small number of specialists assigned to the task, to increasing degrees of intersectoral and indeed community participation in programming. The range of donor support to this process may vary from providing technical support for the creation of local programs of action, to various pilot activities within the programs, e.g. boosting community participation in planning activities, or using the programs as platforms for advocacy campaigns in areas of the donor's interest.

4. Integrated programming. Integration here is with the normal administrative and financing systems of government and/or with the donor's own planning and financing process. The local intersectoral programs mentioned earlier are increasingly utilized as the basis for resource allocation (by government and donor) and assignment of accountability within administrative systems for reaching goals set. The local plans or programs have legal force. Horizontal accountability to the 'local authorities' – the coordinating legislative or executive function at local government level – increases, even as upper levels of government as well as the donors (donor) begin to play the classic roles of the center in a more decentralized system: quality control, capacity building and providing a facilitative policy framework. Donors adjust planning and financing processes to respond to specific aspects of local programs. It is only at this level that one can begin to speak of actually 'decentralized' programming.

5. Devolved programming occurs when donor support is provided directly to local governments that are legally constituted to negotiate its terms and carry it out. Devolution of donor assistance implies there may be fundamentally different program structures for different local governments, depending on program needs. Block grant assistance for projects developed at local level is a major type of assistance at this level.

The appropriateness of the level of decentralized programming described above is correlated with four governance indicators:

- The extent of public-sector *decentralization*, which in turn can be described in administrative, fiscal and political terms;
- The degree of *local capacity* (in terms of both institutional quality and human and financial resource availability);

- A facilitative *central-level policy framework* (since the performance of local governments in a decentralized system depends prominently on central-level support functions); and
- *Stability of the institutional environment*. When institutional relationships change quickly, often under duress, the ability to transfer local control may be constrained as arrangements underpinning accountability and transparency may become unsettled and the complexity of the arrangements increases substantially. Both of these factors introduce significant vulnerabilities for donors.

Broadly speaking, we might say that the ‘damage control’ setting makes decentralized programming of nearly any sort impossible. In the ‘coping/scheming’ mode, the question is trickier. Much depends on the diagnosis of what is possible in particular local governments and the extent to which central-level authorities will permit institutional experimentation to proceed.

Building capacities for decentralized programming

A further set of questions concerns the degree to which office work processes (including such aspects as CP goal-setting, information systems, field visits, program and project planning, inter-project linkages, monitoring and evaluation, and documentation of office learning) are aligned to support decentralized programming (see table 3).

The shift towards decentralized programming can create significant capacity and strategy challenges for donors. The comparison between CPs that are relatively centralized and decentralized illustrates the challenge in the latter. Information systems in decentralized CPs need to be aligned with the requirements of decentralized programming. All programs need to ensure some optimal balance of nationally aggregated and decentralized indicators and goals. Program planning and budgeting systems must balance the need for keeping transaction costs low while matching the needs of localities with resources allocated from above. And implementation of assistance needs to be balanced between the extremes of sectoral, top-down implementation vs. processes rich in community participation but with weak links to local technical agencies (and thus limited prospects for sustainability).

Table 3. Typical office work processes in centralized and decentralized programming settings

	Centralized	Decentralized
Information systems (Situation analysis, M&E)	Emphasize national aggregates	National-level goals and geographical specific goals
Planning and financing	Worked out with central level counterparts; distributed top-down; little variation	Based on local planning process; funding flexibility; menu approach
Partners	Central level sectoral ministries	Central <i>and</i> local governments; civil society
Office organization	Based on sectoral inputs	Based on geographical area across inputs

DISCUSSION

This paper has presented the outlines of a framework for linking aspects of a country's governance and institutional change environment to the types of decisions many donors face in decentralized programming. One way one might visualize the problem addressed in this paper is in terms of aligning the supply vs. demand for decentralized programming. The 'demand' side for decentralized programming could consist of vector of variables relevant to the governance context explored in this paper, such as the degree and type of intergovernmental decentralization, while the effective 'supply' of such programming would depend on the appropriateness of the donor's strategy and the development of intra- and inter-donor capacities to support decentralization. Placing demand and supply side-by-side as spider graphs, for instance, one might begin to visualize where binding constraints on supply or demand might be lifted, and how those constraints might be related to each other.

In a broader context, what has been proposed in the paper can be situated in contingency theory for organizational design, which posits that organizational performance

is predicated on a fit between the demands of an organization's environment and its internal organization, and within which the pace and degree of certainty surrounding environmental change play pivotal roles in the analysis (Donaldson, 2001). Contingency approaches have been somewhat neglected in the analysis of comparative development administration (but see Brinkerhoff [1990] for a book-length early application), including in discussions of external assistance strategies. One of the main reasons for this is the preponderance of single-case analysis in the literature on decentralization and donor support, as noted in the introduction. Planners in donor agencies are often highly sensitive to country context, but the field of development administration has yet to offer many systematic tools for linking governance context and assistance strategy.

At the same time, it is clear that aligning context and programming strategies is hardly a challenge restricted to a formal planning process; indeed, it is essential for the type of strategic programming examined here to be an ongoing and institutionalized function within a donor agency. Failure to incorporate strategic planning into ongoing operations has long been considered to be a classic cause of the frequently reported failure of such pursuits (Osborne and Plastrik, 2000). The case of donor programming, in which "control-oriented bureaucracies" pose considerable obstacles to effective organizational responses to country-specific decentralization trends (or any other rapid institutional changes) have been noted by a range of observers (Schmidt, 1995; Romeo, 2003; Corneille and Shiffman, 2004). Internal change management programs often founder on a number of practical programming issues, such as the misalignment of incentives for those within an organization to decentralize; and the current trends pushing donors to demonstrate clear short-term outputs and impacts in the name enhanced accountability can often hamper the type of rapid strategy adjustments implied by our approach. These considerations suggest the need for further development of approaches that help inform donor strategy choice across a range of developing country environments, and for a range of programming issues beyond the decentralization issue examined in this paper.

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