

Consequences of integrating foreign policy and development policy

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Joachim Nahem and Ole Jacob Sending, NUPI

ABOUT THIS WORKING PAPER

The Evaluation Department has commissioned this Working Paper from the Norwegian Institute of International Affairs (NUPI). The working paper is produced by NUPI. The views and interpretations are those of the authors and do not necessarily represent those of the Evaluation Department.

The purpose of this Evaluation Working Paper is a work in progress to explore consequences of integrating foreign policy and development policy. The paper aims to frame this discussion, and to highlight various topics concerning the consequences of integration between the two policy areas. Furthermore, the paper looks at implications this integration may have for evaluation of the implementation of Norwegian development policy.

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Executive summary

There has in recent years been a clear trend among OECD countries to integrate their development and foreign policies. This paper has two parts. **Part one reviews how some key donor countries have approached such integration, and examines what we know about their effects on the overall coherence and effectiveness of development and foreign policy. The working paper finds that there is a clear knowledge gap on the consequences of integrating development and foreign policy.** Using OECD DAC Peer Review reports, we find that Canada,

the UK, and Denmark have been spearheading the policy integration trend. This includes whole-of-government and joint up efforts especially with regard to fragile states. There is at present little knowledge about the effects, and effectiveness, of these changes.

Part two highlights key points from a roundtable discussion comprising of scholars and practitioners in both foreign- and development policy circles. The discussion centered on the fact that the close links between foreign and development policy is not new, but that the present geopolitical context is different compared to the last two decades. The range of security issues and general pressure on public budgets in donor countries helps **explain the current focus on how development policy can be used as a means to advance foreign policy objectives.** Implications from this development were discussed, including: i) how the legitimacy and effectiveness of development policy may be affected by it being publicly justified as a means for security issues; ii) the importance of focusing on projects and their implementation rather than generic policy to ascertain the possible consequences of integrating development with foreign policy; iii) the specific challenges of so-called “fragile states” as an area where different objectives may be at loggerheads; iv) the lack of a shared reference point or baseline for assessing effectiveness or success of foreign policy; v) the difference between short and long term horizons when evaluating development and foreign policy, respectively, and; vi) the potential for using a “theory of change” as a basis for considering whether policy tools from both development and foreign policy are, or can be, effective in different contexts. This discussion, informed by the review of extant policy in other key donor countries, forms the basis for the recommendations highlighted in part two.

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Part I

INTRODUCTION

Aid communities in donor countries have for a long time sought to protect development aid and policies from foreign policy interests. The need to protect aid emerges from the Cold War era where Net Official Development Assistance (ODA) was often used as a tool for promoting security and geopolitical interests. The aid community's mistrust of the foreign policy community has, as one commentator notes, "...its roots in the ... fear that 'they' would use 'our' money to further geo-strategic political or commercial interests that could only loosely be described as developmental – supporting some states, punishing others, using aid money to fund repression, diverting aid money to help rich country companies, and so on." (Maxwell 2007: 1)

In the post-Cold War era, and especially **since the Millennium Declaration of 2000, the development aid community has largely succeeded in 'ringfencing' official development assistance (ODA) to ensure that its used specifically for "poverty reduction."** This is exemplified by the OECD Development Assistance Committee (DAC), which sets requirements on what member states may report as ODA. While many countries are struggling to maintain high levels of aid allocation due to pressure on public budgets, quite a few have also increased them. A case in point is the UK, which in 2015 passed a bill that enshrines in law its commitment to spend 0.7% of its gross national income (GNI) on aid every year. This makes the UK the first G7 (and G20) country to meet the UN's 45-year-old aid spending target.

Another important feature of the ODA regime in recent years concerns the integration of development goals into donor's foreign and trade policies. **Almost all OECD donors have now adopted some form of "integrated", "whole-of-government", "joint-up" or other approach that seeks to place development aid within a larger framework of foreign policy.**

While we can identify successful efforts of "ringfencing" aid for poverty reduction and a broad development agenda – as reflected in the MDGs and SDGs – there is simultaneously **a trend to prioritize development assistance to countries that have strategic or security interests.** A report from the Congressional Research Service in the United States is a case in point. It notes that there has been a growth in development aid from the US, focused on global health in particular, but also that Afghanistan, Israel, Iraq, Egypt and Jordan were the top recipients of US aid (for fiscal year 2015). The same trend can be observed among other donors. In terms of selecting countries for aid allocation, therefore, the trend seems to be one of prioritizing security concerns, yet at the same time focusing on poverty reduction and other development objectives in line with global commitments.

KEY TRENDS OF POLICY INTEGRATION

The stated objective of donors in adopting an integrated approach is to create greater policy coherence, increase operational efficiency and also to cut costs. Another key driver for a policy integration approach concerns a growing consensus that development assistance alone is far from sufficient, and that multiple government agencies need to be involved to advance a broad development agenda. The 2030 agenda, and associated Sustainable Development Goals (SDGs) is a case in point on how countries are expected to adopt policies to advance this agenda, which cut across sectors and ministries. The SDGs demand that ending poverty must go hand-in-hand with strategies that foster economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while also addressing climate change and environmental protection. Goal 16 of the SDGs is dedicated to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels. This puts further pressure on donors to align policies, not only development and foreign, and to work across government ministries if they are to achieve such ambitious goals.

Development and humanitarian aid have increasingly become part of donor policies concerning security, anti-terrorism, migration and state building. The past decade has seen several examples of overlapping interests in countries with regard to security, development and migration. Most notably, **Afghanistan, Iraq and Syria have presented a challenge as to how donors individually, and collectively, square complex and often competing policy interests with regard to security, humanitarian and development interventions.** The apparent failure of the military and development missions in Afghanistan and Iraq to quell terrorism and bring about socio-economic development have further raised questions whether integrated policy approaches can achieve positive outcomes.

Despite notable efforts to integrate and synergize the development and foreign policy agendas, there is a lingering tension and concern that development aid can become misused to promote non-developmental foreign policy interests. High levels of aid and efforts to ringfence aid spending (e.g. the UK law on 0.7%) may, ironically, put pressure on governments to integrate aid as a way to alleviate budget cuts in other sectors and ministries. ODA to the Least Developed Countries has in recent years actually dropped (16% in 2014, ref. DAC data). Bilateral aid is channeled directly by donors to partner countries and now makes up almost two-thirds of total ODA (ref. DAC data for 2014). Bilateral aid allows donors to be more flexible, responsive and strategic on how they employ ODA to achieve multiple policy agendas, including national security. The recent migrant and refugee crisis is an example of how many donors are reorienting their aid budgets to address policy agendas that go beyond poverty reduction.

The emergence of populist candidates and political parties leaning more to the political right are, in many countries and most recently in the United States, demanding a reduction in foreign aid expenditures in light of their own nation's struggling economies and welfare systems, with some, in contradiction to OECD best practices, advocating for development assistance programs that also benefit the donor nation's economies. The fiscal constraints on public budgets has further led to the questioning of aid's political roles

and its value within and benefits to national governmental frameworks, calling for it to justify its continued existence and its budgetary demands (Warmerdam 2011).

The increasingly prominent role of emerging donors such as China, Turkey, Brazil and India has provided an altered international political situation where OECD donor governments have had to re-evaluate their foreign policy and foreign aid strategies. The emergence of new donors could provide new opportunities for cooperation with traditional donors and improved insights into processes and methods through which to stimulate socio-economic development. Cooperation could also reduce the burden of traditional donors in the development assistance programs, and might provide the appropriate levels of aid flows to the developing world in order for it to achieve much aspired development goals such as the recent SDGs (Warmerdam 2011). At the same time, OECD donors are likely to see their relative power declining through the established Bretton Woods institutions including the UN, WB and IMF, or play a less dominant role in new mechanisms such as the China-led Asian Infrastructure Development Bank (AIIB). This is an important contextual factor when considering the drivers, and effects, of increased integration between development and foreign policy objectives.

INSTITUTIONAL SET-UP AND INTEGRATED AID MECHANISMS

The discussion on policy integration and coherence has to a large degree focused on how donors are institutionally designed and set up to deal with these issues. **There is very little evidence on how various models work, but it is fair to assume that function is more important than form.** That is, effectiveness and results are more likely to be determined by how well the set-up functions in any particular context rather than the organizational form that is prevalent. The OECD DAC peer reviews tend to reward countries that have integrated approaches or whole-of-government set-ups (see section V). However, **we have found little evidence on how such approaches impact recipient countries or what results can be attributed to such integration.** The OECD DAC has encouraged members to increase their capacity and evidence to demonstrate actual outcomes or results from policy integration. This confirms a clear knowledge gap.

With increasing aid budgets and development commitments becoming stated goals of countries' foreign policy, most OECD countries have sought to integrate development agencies more closely into the foreign ministry. A key feature of this discussion concerns whether aid agencies operate from within or separated from the foreign ministry; and whether there should be separate ministers for aid and foreign policy. **Most OECD countries have since the 1990s tended to have a separate aid agency and development minister with or without portfolio.** The Nordic countries and the UK all had prominent development ministers with large portfolios for most of the 2000s. **More recently, however, the new governments in Denmark (2015) and Norway (2013) have placed the development portfolio under the foreign minister. Similar trends are found in other OECD countries,** while – for example - the UK (2016), Sweden (2014) and Canada (2015) have kept their development ministers as a cabinet post. Whether consolidating the foreign and development portfolios under one minister leads to more or less integration of objectives and strategies is unclear. A key question in this context is whether such integration in fact

leads to better policies and more effective integration. **There is at present little evidence on how or whether integration actually produces better policy or results outcomes.**

Another key feature of the integration debate concerns how donors are responding to fragile states and conflict. Donors have recognized that fragile states present interconnected challenges across the security (terrorism, migration etc.) and development spectrum. As an organizational response to this challenge, donors have created special funds, which run across several government ministries. Examples of this include the UK's Africa and Global Conflict Pools, now merged alongside a single, new Stabilisation Aid Fund owned by the Department for International Development-DFID, the Foreign & Commonwealth Office-FCO and the Ministry of Defence-MoD. The Canadian Stabilization and Reconstruction Task Force (START) and Global Peace and Security Fund (GPSF) are others. The theory of change behind these organizational measures seems by and large to reflect the widely shared view that to achieve broader development objectives, it is necessary to focus on fragile states, and that fragile states require responses that cut across the tool box of development, diplomacy, and defense. But again, **there is little knowledge available about whether, in fact, such integrated approaches are effective, or more effective, since the key factors of success for such interventions have primarily to do with the political situation in the countries (and regions) where policies are to be implemented, and less to do with the particular organizational mode of implementation.**

The quality of aid, rather than just volumes, is also central to the integration discussion. The slogan of "trade not aid" has effectively become part of the development aid community's agenda. **The commitment to development index (CDI) illustrates** (produced by the Centre for Global Development) **how the aid community expects donor countries to promote the interests of developing countries across their government portfolio.** The Index gives credit for generous and high-quality aid, financial transparency and incentives for foreign direct investment, robust support for technological research and development, policies that protect the environment, open and fair trade policies, contributions to global security, and open immigration policies. Scores are reduced for barriers to imports from developing countries, selling arms to poor and undemocratic nations, barriers to sharing technology, and policies that harm shared environmental resources.¹ The Nordic countries have in recent years scored high on the index with Denmark at the top followed by Sweden, Finland, and Netherlands. The US, South Korea and Japan score at the bottom of the index, which covers 27 countries (all OECD members). The CDI has, inevitably, certain weaknesses but it does provide some important pointers for the discussion on integration and policy coherence. A key point of the CDI concerns that development aid should be integrated with the purpose of promoting developing countries', not donors', interests across government ministries.

The integration discussion does not only apply to internal donor reforms but also multilateral organizations. An example of this concerns the UN's "**Delivering as One (One UN)**" initiative, which seeks to create policy coherence, synergies and organizational efficiency across various UN offices at the country level. A key objective of the initiative is that host countries and partners are supposed to coordinate with 'One UN' rather than multiple agencies and offices. There are parallels to the One UN approach with regard to bilateral donors who are also looking to consolidate their set-up in countries. This means relocating aid and government

¹ <http://www.cgdev.org/cdi-2015>

agencies to embassies and in some cases setting up joint embassies with like-minded countries (e.g. Nordic countries). It is unclear to what extent such co-location has resulted in changes in policy, or more effective implementation.

There is, in general, little knowledge of the consequences of development and foreign policy integration. The OECD DAC peer reviews nonetheless provide *some* insights on countries that have attempted to integrate development policies or applied whole-of-government approaches. The reviews, however, point out the **need for better analytical and research capacities to generate evidence on potential development trade-offs and synergies between policy objectives**. There have recently been evaluations of donors integrated approach to fragile states and on Afghanistan, in particular. Evaluations from Norway and the US have, generally, been negative, indicating not necessarily that security and development are inherently at loggerheads, but that *how* security interests are operationalized matter significantly for whether and how development objectives can be met.

COUNTRY OVERVIEW AND LESSONS LEARNED²

Since 2000, several traditional OECD donor countries have re-integrated their ODA portfolios into the foreign affairs, trade and other departments to produce synergies and cut costs. The following country overviews provide some insights and lessons learned on these processes. The findings are largely based on the OECD DAC most recent reviews of selected countries. The objectives of DAC peer reviews are to improve the quality and effectiveness of development co-operation policies and systems, and to promote good development partnerships for better impact on poverty reduction and sustainable development in developing countries. The reviews assess the performance of a given OECD member, not just that of its development co-operation agency, and examine both policy and implementation. **The DAC peer reviews provide an important reference for discussing policy integration as they take an integrated, system-wide perspective on development co-operation and humanitarian assistance of the member under review.**

While space does not allow to go into much detail, the trends found in other countries are also to be found in Norway. **One interesting, and to our knowledge largely overlooked, aspect has to do with the increasing cross-sectoral nature of development policy (beyond its integration with foreign policy): Different sectoral agencies and ministries in health, energy, education play significant roles in the implementation and management of development budget-lines.** Norway's largest initiatives – health, education, energy, climate – are all in this category, as they require coordination between different ministries. The upshot of this is that development assistance is spread out over several ministries, and different ministries are part of the coordination of these efforts. This represents a related, yet distinct, development compared to the integration of development policy with foreign policy.

² This section summarizes findings from OECD DAC reports on the countries in question. See full list of reports at the end of this working paper.

The United Kingdom

Institutional set-up and stated objective

The Secretary of State for International Development is a British cabinet minister responsible for the Department for International Development (DFID) and for promoting development overseas, particularly in developing countries. The post was created in 1997 when the Department for International Development was made independent of the Foreign and Commonwealth Office. The UK's foreign policy aims to promote the country's national interest and to advance freedom, fairness and responsibility. The policy specifies that this means working through a range of organizations, such as NATO, UN and others.

Development aid is referred to as a moral responsibility, which is to be implemented through a system that ensures transparency and efficiency in using taxpayers' money.

Lessons learned (based on DAC review 2014)

- The UK has made public statements about the need for coherence between policies to support development. According to the OECD DAC review, it takes a case-by-case approach to policy coherence for development. The DAC review notes that this has **been an effective approach to anti-corruption, climate change and trade, where Department for International Development (DFID) has promoted deeper joint efforts with other departments**. Choosing to focus these efforts on a limited number of policy areas where there are win-win opportunities is strategic. The OECD, however, has also recommended that the UK should use better its analytical and research capacities to generate evidence on potential development trade-offs and synergies between policy objectives.
- For climate finance and conflict prevention, co-ordination mechanisms and inter-departmental funds are established and a whole-of-government approaches led by the National Security Council (the UK National Security Secretariat provides coordination on security and intelligence issues of strategic importance across government) is used to address conflict-affected states. Evidence from Nepal and Nigeria is reported to show that UK departments work quite well at the country level on specific issues.
- DAC notes that while a cabinet set for development helps, the **UK could draw further on capacities across the government on issues that are strategic for development, such as private sector development and resilience**. DFID's analytical strengths, years of experience and strong country presence is noted as a key resource in this regard to ensure cross-government action.
- The report also notes, however, that it is **difficult to see how different UK policy agendas and programs fit together at country level and that the development programs risk missing out on the policy expertise and knowledge of other departments** – and vice versa.
- The UK reports its ODA as 100% untied. However, the UK reports that over 90% of centrally managed contracts - which represent the vast majority of the contract value - go to UK suppliers. The UK ranks 6 out of 26 countries on the Commitment to Development Index.

Denmark

Institutional set-up and stated objective

The Minister for Development Cooperation of Denmark has been a Danish minister office since 1993 but was of 2015 subsumed by the Foreign Minister/Foreign Ministry. Denmark's efforts for promoting **policy coherence for development is focused on coherence for development in EU policies, as it is in the EU rather than in Denmark**, decision on policies that have the most significant impacts on developing countries, are made. To ensure complementarity and coherence, Denmark aligns with EU focus on trade and finance, security, migration, food security and climate change.

Lessons learned (based on DAC Review 2016)

- DAC reports that Denmark is **now developing an action plan to follow up on Agenda 2030 and that it is therefore in a good position to link development co-operation into a national whole-of-government** approach for implementing the SDGs. In this context, DAC cautions that there is a need to balance between development and commercial objectives when working with, and through, the private sector.
- Denmark ranks number one in the 2015 Commitment to Development Index and have over the last few years increased its commitment to development policy coherence. In 2011, Denmark's International Development Cooperation Act anchored policy coherence as a foundation for Danish foreign policy. In 2014, in line with recommendations from the 2011 peer review, Denmark released its first policy coherence plan, A Shared Agenda: Denmark's Action Plan for Policy Coherence for Development, encompassing trade and finance, food security, climate change, and peace and security with strengthened mechanisms for arbitrating on policy trade-offs. In view of the ongoing global migration crisis, Denmark is currently considering whether it might include migration as an additional priority for its action plan.
- However, DAC also notes that **Denmark faces an ongoing challenge in building understanding of policy coherence in line ministries**.
- With its largest multinational enterprises operating globally in sectors such as shipping, pharmaceuticals and renewable energy, **Denmark's development finance instruments target sectors where it has established an international comparative advantage. However, the extent to which Denmark's official development assistance leverage other development flows and their development impact is not well monitored**. Denmark is reported to be considering establishing new financial instruments to catalyze development finance. Denmark would benefit from a clear strategy setting out how these investments will maximize sustainable development impacts, as well as increased capacity to engage the private sector effectively.

Canada

Institutional set-up and stated objective

The Minister for International Development is a Minister of the Crown in the Canadian Cabinet. The minister has responsibility for the international development portfolio and is one of the three ministers (along with the Minister of Foreign Affairs and the Minister of International Trade) who lead the Canadian foreign ministry, Global Affairs Canada.

Lessons learned and recommendations (OECD DAC Review 2012)

- Canada has reportedly made progress towards establishing the building blocks for policy coherence for development. But as with other DAC members, Canada has yet to show that development impacts (potential and actual) are being considered in relevant policies.
- As also noted for UK and Denmark, Canada is also seen by DAC to have room for improvement to ensure that strategic objectives could be developed in consultation with a range of relevant government departments. The understanding of development issues is strongest in those government offices that have been working with CIDA on global concerns, such as the Department of Environment. Greater understanding of development in line ministries is something that is highlighted as a key priority.
- **DAC notes that Canada has strengthened inter-departmental co-operation in the field of conflict, security and fragility both centrally and at the country level.** Canada's operations in Afghanistan have been facilitated by inter-departmental co-ordination led by the ministers of international trade, international co-operation, national defence, foreign affairs and public safety. Ministers met weekly to consider issues related to Canada's mission in Afghanistan, and also established a task force in the Privy Council Office (PCO)
- Canada's engagement in Afghanistan highlights two key factors for successful whole-of-government approaches: (i) that the relevant federal departments are committed to the process and invest appropriate time and energy, and (ii) that a strategy, resources and an integrated approach are all discussed, agreed and followed.
- In Afghanistan, and Haiti to a large extent, Canada has sought to delegate sufficient authority to country teams, which DAC urges consideration also in other fragile states.
- Canada's much lauded 'integrated' 3D, or whole-of-government, approach encompassing development, diplomacy, defence (and sometimes other departments) in Afghanistan has more recently been **criticized for having an adverse effect on development assistance and peace-building.**³ Several Canadian civil society organisations hold, for example, that the approach has elevated the military component to the neglect of development, humanitarian and diplomatic efforts.⁴

³ http://www.academia.edu/3216146/Failed_States_and_Canada_s_3D_Policy_in_Afghanistan

⁴ Ibid

Part II

KEY TOPICS AND RECOMMENDATIONS FROM NUPI ROUNDTABLE

Part two highlights key points from a roundtable discussion comprising of scholars and practitioners in both foreign- and development policy circles⁵.

A central theme of the discussion was whether the integration of development and foreign policy was new at all, and if so, how and why. It was noted that for a long time in the post-Cold War period, development- and foreign policy were seen to operate in tandem with complementary objectives. Development policy focused on poverty reduction, economic growth and the promotion of liberal values, which lent support to more generic foreign policy objectives. The situation today is arguably different, with the following significant factors coming into play:

- First, the geopolitical context is marked by uncertainty, even aggressiveness, in the relations between major powers. As a result, core security interests form a more central part of on-going debates about foreign policy.
- Second, the refugee and migrant flows from the Middle East and Africa has spurred a heated discussion in Western countries with regard to protecting the social welfare benefits, and of the use of development assistance to manage and discourage the flow of refugees and migrants.
- Third, the challenge of violent extremism and state collapse – often under the heading of “fragile states” – has moved to the fore of the foreign policy agenda with development aid being one of the policy tools.
- Fourth, lackluster economic growth, high unemployment in several EU countries and uncertainty with regard to the sustainability of existing welfare systems puts tremendous pressure on already strained public budgets. In this economic context, using development assistance for ends that are linked to core foreign policy interests – such as citizens’ security and welfare – is in many countries seen as appropriate.

The relationship between foreign policy and development policy takes on a new meaning in the present context as there is a much stronger focus on security issues. Many of the national security concerns are closely linked to the foreign policy realm including the phenomenon of fragile states and violent extremism. This seems to provide for implicit public support and justification to link **development assistance more directly to foreign policy**. Although not explicitly expressed by foreign ministries there is less concern with preserving the idea that

⁵ Participants at the Roundtable at NUPI, November 22, 2016: Anita Haslie (Evaluation Department at Norad), Per Øyvind Bastøe (Evaluation Department at Norad), Jan Petter Holtedahl (Evaluation Department at Norad), Jon Lomøy (Norad), Ingunn Klepvik (former ambassador, Norwegian MFA), Henrik Harboe (Norwegian MFA), Leiv Lunde (Norwegian MFA), Nanna Hvidt (Danish MFA), Ole Winkler Andersen (Danish Mission to OECD), Finn Stepputat (Danish Institute of International Studies), Lovise Aalen (Chr. Michelsen Institute), Gunnar Sørbo (Chr. Michelsen Institute), Håvard Mokleiv Nygård (Institutt for Fredsforskning, PRIO), Stein S. Eriksen (NUPI), Halvard Leira (NUPI), Minda Holm (NUPI), Ole Jacob Sending (NUPI).

development assistance is technical and apolitical. This means, in turn, that **development assistance may be used to advance multiple ends, which** go beyond poverty reduction and “core” development objectives.

With regard to future evaluations, a key aspect concerns **whether and how development programs may be affected –with regard to implementation, effectiveness, legitimacy – by being publicly justified or rationalized with reference to foreign policy objectives** rather than development objectives (e.g. “security” v “poverty reduction” in fragile states).

Project, not policy

Participants of the roundtable noted that it is important to specify the level at which development assistance and foreign policy objectives become linked. Specifically, how this linkage is operationalized in practice, and how it may play out during implementation. It was pointed out that **any discussion of how foreign- and development policy is, could, or should be related has to start with a specification of the interests or objectives at hand. Likewise, it is difficult to assess generic “policy” and it is more helpful to look at specific projects or efforts.** What is needed is to specify what types of interests that can plausibly be identified at a program or project level. Moreover, many projects may have multiple interests: a development project may be aimed both at reducing poverty and at securing political support from that country’s government on a particular issue, or to be seen as an important broker within that country by more powerful states.

Another aspect to address in a future evaluation is the extent to which the objectives or public rationale for a particular project may change and expand over time, and how that may shape the allocation of funds, implementation strategy, and effectiveness of the initial project rationale.

The case of fragile states and conflicting interests

Fragile states exemplify, more than any other topic, how development aid is a key ingredient of foreign policy but where there may be competing interests. At the level of generic policy, such tensions are not readily apparent. But once we move towards a specification of the contents of what a strategy for fragile states entails, it becomes possible to identify how key ingredients of *both* development- and foreign policy are included, and may be in conflict. This includes, inter alia, how the promotion of democracy may be at odds with the promotion of human rights, or how regime survival or stability may conflict with both democracy and human rights. But engagement in fragile states also represents operational challenges that may have far reaching effects on the functioning and legitimacy of the policy in question. This includes decisions about which groups to cooperate with (regime or opposition groups), what types of projects to prioritize (strengthening state institutions or support civil society groups), and how to balance local ownership with, for example, anti- corruption efforts.

Fragile states provide for good case studies with regard to evaluating tensions between foreign and development policy objectives and lessons learned with regard to designing and implementing projects.

Baseline for assessing development policy and foreign policy

Participants discussed at some length whether there is a shared baseline⁶ or reference point for analyzing and evaluating development policy and foreign policy. **It was noted that there is little agreement among analyst about what constitutes success, or how to measure effectiveness, of foreign policy.** Although there is a wealth of knowledge with regard to specific foreign policy decisions and events, there is no shared baseline among analyst as to how to assess such events or decisions. In short, while there is a (somewhat contested) baseline for evaluations of development policy, no such baseline exists for assessments of the effects, or efficiency, of foreign policy tools.

- One suggestion made was that this challenge may be addressed by **establishing closer links between research and evaluation communities** for the purpose of evaluating – against a shared baseline – integration between foreign and development policy.

It was also noted that it is difficult to evaluate foreign policy objectives due to how they are formulated. It may be possible to identify and isolate the specific objectives of development projects – in the form of hospitals built, children vaccinated, or resources committed to training and educating civil servants. This is not necessarily so easily done for foreign policy, where several objectives may co-exist, for example, in the form of maintaining ties with important allies, increasing exports, or promoting human rights in the partner country.

- One suggestion made was to look more closely at how development policy tools have become part of diplomats' toolbox or changed their mode of operation.

Short term versus long term

Another theme discussed concerns the relationship between different objectives in the context of project formulation and implementation and how local perceptions may impact the effectiveness of development aid. Afghanistan is a case in point, where **several studies have pointed out how humanitarian and development assistance was used as a tool to advance security objectives**, with little reflection on how such an inclusion under “security” affected the local political dynamic and also the perception among local groups with regard to the meaning of development assistance. To be sustained over time, policies have to be seen as legitimate in the eyes of core constituencies and beneficiaries. Such constituencies may be local groups or partner governments where the development policies are being implemented, and so knowledge of such perceptions matter with regard to policy effectiveness and impact.

- One may want to consider evaluating whether perceptions, as an important long-term indicator of effectiveness and impact in the partner country, is affected by the inclusion of specific interests or objectives that go beyond development
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⁶ We are using the term «baseline» here in a generic rather than a technical sense: There is little agreement among scholars about how to analyze, let alone measure, the success of foreign policy.

“Theory of change” as a cross-cutting evaluation criterion

Development assistance and foreign policy operate under different knowledge regimes, as indicated above. **There is no standardized baseline against which to assess foreign policy objectives. In this context, one could consider evaluating development projects that have a clear foreign policy component – and vice versa – against a baseline of the “theory of change” that is either implicitly or explicitly the rationale for the project or policy.** This would help to make it possible to perform evaluations, because it would imply that such theory of change can be made explicit and thus potentially subject to evaluation. Considered in such a context, there is no a priori reason why foreign policy objectives, and how these are to be achieved, cannot be subjected to a “test” or “measure” of the theory of change that underwrites it. If such a theory of change is not explicit, or if there are multiple ones, that is in itself a key finding to build on.

- One suggestion made was to consider conducting an evaluation of *whether* different elements or sub-components of the efforts/policy/strategy in a particular country, or in a particular sector, are formulated and implemented within a shared, contested, or non-existing theory of change.

Structural constraints, organizational form, and effectiveness

One aspect of the discussion centered on whether integration, whole-of-government or other joint strategies actually matter for outcomes, or how to measure such integrated set-ups in terms of effectiveness. As noted above, the DAC reviews note that there has indeed been integration, and also that some of these integration measures have been successful. But there is little systematic evidence on this score. Indeed, the criteria for “success” used in the DAC reviews are not – as far as we can tell – about outcomes in the countries where an integrated model is being implemented.

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