

# CSRF Policy Brief: When Policies Backfire

## Well-meaning donor policies can lead to bad aid, with examples from South Sudan

Audrey Bottjen

### Summary

This policy brief highlights the role that donor headquarters play in shaping the incentives and rules of the aid system, influencing implementing partner decisions, policies, and investments. It takes a deeper look at how some well-meaning policies can unexpectedly backfire, leading to new challenges, inefficiencies or in some cases, perpetuate conflict. To do so, it analyses five well-meaning policies common to many donors that can have unexpectedly negative results within conflict-affected countries, providing examples from South Sudan. Lastly, the brief provides recommendations and guidance on how improvements can be made to tackle each policy's potential negative effects.

International donors working in conflict-affected and fragile contexts are often the most influential actors in shaping both the goals and the systems of aid provision. In addition to providing the actual financial resources, they have the power to shape the priorities for engagement and the operational and financial 'rules of the game' for organisations delivering aid. As architects and overseers of the system, donors have a responsibility to ensure that the rules and incentives facing implementing agencies are fit for fragile and complex environments. This is essential if donors are to maximise aid's relevance and impact and ensure that aid is conflict-sensitive.

This policy brief focuses on the role that donor headquarters play in shaping the aid system, particularly around how donor policies influence implementing partner decisions, policies, and investments. It uses South Sudan as a case study, highlighting five well-meaning policies common to many donors that can have unexpectedly negative interactions with conflict-affected contexts, and provides some ideas for how improvements can be made.

### Five Policy Backfires

1. When a push for efficiency leads to a decrease in quality.
2. When 'zero tolerance' leads to zero reporting.
3. When information and analysis are not institutionalised.
4. When centralised directives lead to absurdities on the ground.
5. When short-term successes blind us to long-term problems.

### **Policy Backfire #1: When a Push for Efficiency Leads to a Decrease in Quality**

Donors understandably seek to maximise the positive impact of their resources. They have an important role to play in encouraging and supporting efficient and economical practices. However, these policies sometimes become translated into reduced funding for organisations' ability to conduct quality programming by reducing funds for programme oversight, learning, analysis, or engagement with populations. These functions require staff, time, and flexibility, and are absolutely critical to understanding where aid may be causing

unintended harm. These capacities also enable meaningful relationships with communities, the ability to develop creative options for doing things differently, and the preservation of lessons and institutional memory for the following year. In their absence, aid organisations often effectively ‘outsource’ these responsibilities to local authorities, which can be problematic in areas where poor governance and accountability means that aid is often captured for political or even conflict purposes.<sup>1</sup>

Policies encouraging efficiency may also incentivise organisations to focus on areas that are more accessible (whether because of infrastructure, security, or politics) and less affected by conflict, potentially reifying lines of marginalisation or conflict.

Underlying both of the pitfalls above is the push to reduce the measurement of ‘success’ of an aid programme to easily quantifiable numbers: generally, money spent and outputs delivered. This need, which is often tied to donors’ internal systems of accountability, undermines adaptive, long-term approaches that can balance short-term demands against long-term strategy and principles.

These observations do not argue against the importance for donors to encourage value for money; rather they argue that policies must take a nuanced view of what ‘value’ looks like. Discussions around efficiency and economy should take into consideration the costs of negative unintended consequences and the benefits of improving the aid sectors’ contributions to long-term peace. This also demands robust donor offices in country, with longer posts in country, to play the strategic and oversight role that can have a critically positive impact on the quality of the aid delivered.

#### **Case in Point: South Sudan**

A study in 2013 showed that the cost of getting one ton of ‘murrām’ the red dirt used for roads and airstrips, into Aweil North was USD10, while the cost for getting the same material to Akobo, Jonglei State, was USD1,000, took much longer, and faced many more security risks. Donors and partners seeking to maximise scarce aid resources, avoid security risks, and achieve ‘success’ in time-delimited projects naturally avoid working in the flood-prone areas of Greater Upper Nile, and particularly outside of stage capitals. This coincides with an historic underinvestment in these areas, and a political and economic marginalisation that continues to perpetuate conflict.

#### **Recommendations:**

- *Donors should ensure that all projects have budget lines and accountability measures in place to ensure quality oversight, contextual analysis, adaptation, and learning. These are not luxury items, they are the basic building blocks for aid to do less harm and more good.*
- *Log-frames and work plans should include sufficient time for proper analysis, reflection and adaptation. Time is sometimes the scarcest resource for aid actors, and the greatest constraint for effective and conflict-sensitive programming.*
- *Donors should avoid thinking or working in ways that reward organisations with the lowest ‘cost per beneficiary,’ instead, pushing for a more nuanced view of what constitutes efficiency and effectiveness.*
- *Alternative ways to measure ‘success’ should be context-specific, and backed by analysis, but might include approaches to conflict-sensitive localisation, accessing ‘hard-to-reach’ or marginalised populations (both geographically and socially), and an assessment of an aid programme’s ability to understand and adapt to the context over the life of the programme.*

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<sup>1</sup> There is an important distinction to be made between outsourcing aid decisions to local leaders in areas of poor governance, and conflict-sensitive localisation. The latter is something to strive for, but requires a good deal more analysis, institutional commitment, time and resources.

## Policy Backfire #2: When “Zero Tolerance” leads to Zero Reporting

Worries that aid efforts may fuel corruption or feed conflict have led to pressure from various domestic constituencies within donor countries – parliaments, congresses, and media – on donor agencies that provide assistance in conflict-affected and fragile contexts. This pressure has led many donors to enforce strict policies around the misuse of funding or resources, including within donor partners, amongst beneficiaries, and within donor offices themselves. Penalties can be quite severe, particularly in a competitive aid climate, including termination of funding, being barred from bidding for future work, investigations, and reputational risk.

From a headquarters perspective, these policies may appear to be successful when there is a reduction in reported cases of fraud or corruption. However, the reality is often more complex. Cases involving fraud, theft, diversion, and corruption are inevitably contested, and the details often murky. While most NGOs have ‘whistle-blowing’ policies, and internal audit procedures, these are generally reliant on senior staff or auditor visits to field locations, or field staff initiating investigations. Field reports generally must go through several layers of management before being reported to donors, often starting with junior field officers who have many reasons to think twice about reporting possible cases of aid misuse. First, staff (particularly if they are from the community) may suffer consequences from the community or individuals implicated. Second, local concepts of corruption do not always align with current Western notions of corruption – what the aid sector views as corruption (such as aid redistribution, or helping family members with access to jobs) may at times be seen as socially and culturally appropriate in the local context.<sup>2</sup> Finally, given that many times misuse happens

outside the view of responsible staff – whether through contractors, amongst local officials, or even beneficiaries – one can often be unsure whether or not it is happening. In some cases, it may be known that bribes are being paid (for example, by sub-contracted trucking companies at checkpoints), but these incidents are deemed to be outside of the responsibility of the contracting NGO or UN agency. Deciding to investigate something slightly suspicious is a very time-consuming and resource-intensive process, which could stop the project, open the organisation to additional investigations, and leave vulnerable people unreached. The incentives facing the staff member in question are heavily weighted toward assuming no misuse is happening, so that they can finish their long day, and get some sleep before the next. This means that it is difficult to determine the scale and scope of the problem.

The aid sector must accept that some level of risk is unavoidable, but then seek to build a culture of transparency, analysis and learning where failures are tolerated, so long as they lead to positive changes in understanding and practice.

### **Case in Point: South Sudan**

The approach of ‘zero tolerance’ for bribes in a context where bribes are routinely demanded often pushes the risk and the responsibility down to those at the front line of aid operations – drivers and logistics staff will often pay small bribes from their own pocket just to keep the aid system working, or to prove their worth to their organisation. These bribes are not reported, allowing senior managers and donors to continue to believe their programmes are compliant.

### **Recommendations:**

- *Donors should reorient their policies around fraud and theft from one of penalisation to one of prevention. This begins with better*

<sup>2</sup> For more on this topic, see the CSRF’s 2018 Research Paper: [Kinship and Coping Strategies](#) by Martina Santschi, et. al.

*understanding, potentially through more independent research and analysis.*

- *Confidential reporting on suspicious activities, with fewer penalties, should be encouraged – perhaps to a neutral (non-donor) body that can synthesise the data and provide credible data on the scale and scope of the issues, and so help to prioritise response and prevention.*
- *Contextualised training should be provided to field staff on what constitutes problematic use of aid, how to prevent, and how to report. Such engagement should also be sure to learn from staff how international norms around aid use conflict or align with local norms, and build this into programme design.*
- *Relationships and trust should be intentionally built between donors and their partners and, when possible, between agencies, to enable greater information-sharing and collective problem-solving around issues to do with fraud, loss, waste and corruption. Many of these issues cannot be solved by individual organisations and require collective action.*

### **Policy Backfire #3: When Information and Analysis Are Not Institutionalised**

Information, knowledge, and understanding are critical to aid’s ability to work in conflict-affected contexts without doing harm. While a poor information environment is understandable at the outset of a complex crisis, there are a number of factors that lead to poor institutional memory, limited information-sharing, and incoherent approaches even decades later, after extensive research has been published.

The problem is not necessarily lack of information – donors, organisations and research institutes do fund and publish reams of data, analysis, and research. However, the common – and recurrent – critique of these investments in knowledge is that they often fail to lead to changes in practice or policy. There are multiple potential reasons for

this failure, but two of the most important are discussed here.

First is the matter of time, and the closely related component of staffing. Many donors do not have the staff, resources, or time to coordinate meaningfully with other donors on anything but the ‘hot topic’ of the day. Very lean staff structures and rapid turnover, coupled with weak mechanisms to support institutional knowledge management, mean that donor, NGO, and UN staff are often unfamiliar with what their own organisations were doing even three or four years ago. Lengthy gaps where positions are unfilled and frequent rest and recuperation leave further chip away at the ability for donors to maintain institutional memory and continuity within their offices. Other sectors with similar turnover and burnout rates, such as management consulting, have been developing robust knowledge management strategies for decades. In complex aid environments, agendas tend to turnover alongside the key staff driving them, and most aid actors are lucky to have any sort of handover at all.<sup>3</sup>

Second is the matter of practical application and horizontal coordination. Despite (or perhaps because of) the plethora of forums and regular meetings, the practical application of analysis to action remains very difficult. Success in this area depends very often on long-term staff with the access and interest to contribute to the relevant conversations, and the ability to translate analysis into meaningful changes to policies and practices. Learning is similarly difficult, as programmes are pressured to report on ‘successes’ and ‘burn-rates,’ but little else. End-of-programme evaluations often are funded and can contain very valuable information that could improve following activities – yet, they are seldom read by more than a few individuals, and very rarely by incoming

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<sup>3</sup> Hanson, Morton T, et al. *What’s your strategy for managing knowledge?* Harvard Business Review Magazine. March-April 1999

staff who will soon be designing and implementing similar programmes.

An effective information environment requires investments in people as the engines of knowledge within the aid system, rather than elaborate but impersonal data collection and dissemination strategies. This includes having enough people to maintain institutional memory and enough time to learn, share, and apply information and analysis to the aid sector’s engagements.

**Case in Point: South Sudan**

*A snapshot from three aid evaluations:*

“The Donor Community mostly failed to adapt their development interventions to the volatile and fragile South Sudanese context.... The Aid Architecture was inconsistent and lessons learned did not alter approaches.” *NORAD Country Evaluation: South Sudan*. Nov. 2016.

“Donors have commissioned independent studies on conflict in Southern Sudan since 2005... however, there is a disjuncture between the production and reading of these reports and the assumptions present in programme design.” *Aiding the Peace: A Multi-Donor Evaluation of Conflict Prevention and Peacebuilding Activities in Southern Sudan 2005-2010*. Dec. 2010.

“One of the most bitter tragedies of Sudan is that the dilemmas facing humanitarian organisations today are almost exactly those faced repeatedly over the last ten years... But while the generals and guerrillas have learned their lessons, the UN humanitarian agencies have not.” Jean, Francois. *Life, Death and Aid*. An MSF Annual Report. 1993.

**Recommendations:**

- *Donors should prioritise, support, and fund information and analysis management – and learning – within their partners and their own teams working in country. This includes having sufficient staff and time spent in country.*
- *Donor and partner staff need to have dedicated offices and time set aside for*

*learning, included in work plans and budgets. The Conflict Sensitivity Resource Facility (CSRF) in South Sudan and the Conflict Sensitivity Facility (CSF) in Sudan are examples of how this can be effective.*

- *A repository of end-of-programme evaluations should be maintained and accessible for all donors and partners. Donors and partners should be encouraged or required to consult past evaluations when designing new interventions. USAID’s*
- *Development Experience Clearinghouse provides some of these services, but is not generally used at the country level when designing new programmes.*
- *Donors should invest in a public goods, or common-service, approach to information and analysis, funding an entity to help to facilitate common approaches and coordination.*

**Policy Backfire #4: When Centralised Directives Lead to Absurdities on the Ground**

Donor and organisational headquarters’ approaches to aid delivery often involve the use of highly centralised policies that are designed to minimise financial, security, operational, programmatic, and reputational risks. A centralised approach to risk management speaks to a faith in the ability of headquarter technocrats to design smart systems, rules, and procedures that can minimise risks in Manila or Bogota as well as they can in Juba or Khartoum. It implies a belief that the benefits of a systematised approach (namely improved oversight and legibility for management, and consistency in reporting) outweigh the costs (the danger that policies are not well-suited for specific contexts and cause perverse results). The problem is that the benefits may be well understood and visible to headquarter staff, but the costs are often invisible or easily blamed on others – meaning that headquarters seldom have a clear view of the potential negative implications of centralised policies.

All centralised policies rely to some degree on certain assumptions around human behaviour and the operating culture. When these policies are implemented in very different cultures, the results can be astonishingly diverse – and frustrating for the bureaucrat seeking to influence behaviour.

Procurement processes that are mandated to use global approaches, such as requiring three written, stamped, quotations for competitive procurements or having access to international bank accounts, can very often be captured by elites or lead to sub-optimal outcomes in contexts with weak markets, high illiteracy, militarised infrastructure, poor information flows, undeveloped financial systems and poor rule of law. Donor financial calendars, and the need to spend budgets before specific deadlines, drive otherwise prudent managers to take unnecessary risks. Human Resource systems that uncritically value education and test-taking ability often only hire from a conflict-affected country's elites and more privileged groups, reinforcing marginalisation and contributing to resentments. Country-specific contextual understanding, and strong local management (with appropriate oversight, training and trust) is necessary to maximise the programmatic and financial impact of the aid sector's footprint.

In fragile and conflict-affected contexts, the opportunity for, and the potential costs of, policy failures are greater than in other contexts. The most effective and conflict-sensitive programmes are often those where decision-making, resources, and investments in building and retaining staff are decentralised to the lowest possible level, including through local NGOs and actors. Principles, including some of those discussed above, such as efficiency, honesty, transparency and effectiveness, should be set and supported at the headquarters level – but the specifics of how principles are applied into policy should be developed closer to the operating context.

**Recommendations:**

- *Donor headquarters should aim to decentralise policy-making and oversight - both within their offices, and within their programmes.*
- *Decentralisation should be accompanied by training and support to those with new responsibilities. This includes contextual training for staff who are new to the context.*
- *Principles that drive policies, such as transparency, accountability, diversity, effectiveness, should be clear, and championed. Field staff should be trained in them, and contribute to the development of policies that strive to marry the principles with the complex realities on the ground.*
- *Policies, particularly around Human Resources and Procurement, should be country-specific and adaptable to changing contexts.*
- *Donor financial calendars should be reinterpreted to prevent end-of-year pressures to spend quickly.*

**Case in Point: South Sudan**

International rules for procurement often focus on 'fairness' as a key value. Many local communities have the same value. However, international policies identify 'fairness' as emerging from a procurement process that favours lowest cost, technically acceptable bids. In South Sudan, these competitions are often captured by elites with access to preferential exchange rates and formal or informal security arrangements – and the average person/group is unable to compete. This reinforces economic marginalisation and the ongoing dominance of the elites. Local communities might favour a different definition of 'fairness,' perhaps such as rotating vendors so that all get one contract.

## Policy Backfire #5: When Short-Term Successes Blind Us to Long-Term Problems

Many of the conflicts in areas where aid is provided are structural – meaning they result from factors that are understood to be outside of our control: economic factors, historical legacies, political and patronage systems and corruption, the lack of opportunities for young people or certain groups, the lack of resources or education. These conflicts are also the main drivers of ongoing humanitarian and development needs in many areas. The factors that drive these conflicts are unlikely to change much over the timeframe of the typical aid project, making programmes that engage in these areas unattractive to donors who want to see successful end-of-programme results.

However, failing to fund the types of programmes that work on longer-term issues means that the aid sector misses important opportunities to engage with the structures that can drive decades, or even generations of conflict. By the same token, aid actors miss opportunities to reduce the need for international aid over the coming years and decades. It also means we may not recognise where our own presence and actions may contribute to structural weaknesses, through our interaction with elite-dominated markets, political systems, and conflict dynamics.

Building strategies that are aware of, and interact positively with, long-term conflict dynamics requires strong engagement with a wide spectrum of society – far beyond the normal consultations with elites and governmental actors who are not accountable to their populations, and may at times be hostile or predatory. The strategy should seek to identify and build on diverse local sources of strength and capacity, in line with the aid sector’s existing commitments on localisation. It should draw on national, regional and global knowledge of economic, technological, climate, and demographic trends; in the coming decades, many conflict-affected countries can expect to be

further affected by climate change, increased demands for water and natural resources, and population pressures. It should consider the long-term impact of education and gender reforms, and work that addresses the structural nature of conflicts. Joint donor approaches to these strategies may help to build coherence and consistency, and help to buffer against short-term policy shifts as individual donors manage domestic funding and political pressures.

Evaluations of aid effectiveness must also include consideration of aid’s long-term impact. The modern international aid system has been saving lives around the world for decades. This is an accomplishment, and a testament to the values, commitment, and hard work of many donor countries and countless aid workers. These ongoing commitments in funds and effort should be matched by a commitment to strategies that seek not only to deal with the consequences of conflict, but actually prevent or reduce the factors that drive conflicts over the long-run.

### Case in Point: South Sudan

The modern era of international humanitarian assistance to South Sudan began during Operation Lifeline Sudan in 1989, more than 30 years ago. Despite the ongoing partial implementation of the Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS), the twin plagues of conflict and hunger are likely to challenge South Sudan for decades to come, and many senior donors and aid workers expect that aid will be needed for as long. This constitutes an enormous investment – and a responsibility to have a strategy that not only tries to save lives today, but also tries to decrease the need for lives to be saved over the coming several decades.

## Recommendations:

- *Donors should drive internal and external discussions around joint strategies that address the long-term structural causes of conflict, and the goals of aid. This may include funding national and international forecasts and projections of livelihood, climate, political, economic, and technological developments, and programmes that seek to reduce the structural causes of conflict.*
- *Donors should avoid applying ‘results-based’ management approaches to programmes that seek to work on structural elements, instead using more flexible (qualitative) tools, such as Outcome Harvesting.<sup>4</sup>*
- *Donors should fund longer-term programmes that evolve over time, encouraging learning and relationship-building.*
- *All aid actors should support conflict-sensitive localisation that identifies and builds on a diverse set of local capacities as a key aid outcome.*

to shake the current paradigm, demanding a reassessment of which risks need to be avoided, what the trade-offs are for ‘efficiency,’ how we understand ‘quality’ in aid projects, and to whom accountability needs to be given. This debate is healthy and important. The policies discussed in this paper may be an entry point for further discussion on how donors, and aid practitioners more broadly, can better understand and collectively address the role of policies – and their unintended impacts – in the complex contexts where aid is delivered.

## Conclusion: What is Good Aid?

Over the past few decades, the aid sector has become increasingly professionalised – some might say bureaucratised, or even commercialised. These efforts are invariably well-intentioned, seeking to use global policies to reduce risks, increase efficiencies, improve quality, and ensure (upward) accountability. At the same time, a wide range of voices are calling for a fundamental reorientation of the nature and the power structure of the aid system. They seek

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*Feedback, comments or suggestions are welcomed as part of ongoing dialogue and learning around conflict sensitivity and should be sent to [info@csrf-southsudan.org](mailto:info@csrf-southsudan.org).*

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<sup>4</sup> Church, Madeline. *Doing things Differently: Rethinking monitoring and evaluation to understand change*. Saferworld. January 2016. [Publications - Saferworld](#)