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It's time to scale up success in development assistance

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Development ministers and experts will meet at the Fourth High Level Forum on Aid Effectiveness in Busan, Korea, in November 2011 to assess their efforts to improve the impact of aid. A recent survey by the OECD shows that little progress has been made since they met in Accra in 2008 for their Third High Level Forum. The many good intentions to improve coordination among donors, to enhance the alignment of aid programs with the priorities of aid recipients, and to develop effective partnerships in practice have turned out to be difficult to implement.

If anything, the challenge has become greater: the number of aid agencies keeps rising, as does the number of aid-supported projects, while average project size continues to drop. According to the OECD, more than half of the 90,000 official aid projects implemented annually are now well below $100,000 in size. With so many small interventions, most of them one-time, without links to each other, driven by the short-lived preferences of individual agencies and individuals in agencies, it is no surprise that the lofty goals of aid ministers go unrealized and that the cumulative impact of the many well-intentioned small aid projects is minimal at best.

It doesn't have to be that way. There are examples of successful development programs that have lifted millions of people out of poverty, have greatly improved health conditions and have generated new business and employment opportunities. Examples such as the Mexican government's national program of cash transfers to poor households ("Progresa-Oportunidades") which conditions assistance on whether children attend school and mothers take their infants for health check-ups; the multi-donor program to eradicate the deadly river-blindness disease in West-Africa; the community based micro-credit and employment programs of Grameen Bank and BRAC in Bangladesh; the Chinese government's program for the development of the loess plateau with support of the World Bank; or the program of rural poverty reduction in the highlands of Peru supported by the International Fund for Agricultural Development (IFAD) – these are just a few examples of cases where the impact of development programs has been at a scale such that it made a real and lasting difference in the lives of millions of people. And success at scale is also possible in fragile and conflict-affected states as a recent review by the Brookings Institution for the Australian aid agency AusAID has shown.

This raises three questions that development ministers should consider as they prepare for and meet in Busan: What made these success stories possible? Why are they the exception rather than the rule? What needs to be done the make scaling up the norm? Let us take these questions in turn.

What made these success stories possible? Each case has its own ingredients of success, but three dimensions are common to them all:

- *The programs pursued a scaling up pathway towards a long-term goal*: Few successful programs followed a blueprint for long-term scaling up from the start, but they all built on the recognition that if the early steps were successfully piloted, subsequent steps needed to systematically replicate and scale up what works, adapting the approach in the light of lessons learned at each of the earlier project. A key element in this connection is that the long-term objective of scale impact is part of the program concept from the beginning; that monitoring and evaluation are designed to test not only whether an idea works, but also to measure progress against the long-term goal; and that an effort is made to identify the drivers, to create the spaces and to chart a suitable scaling up pathway for programs to move from small pilot to impact at scale.
- *The programs benefitted from strong and sustained drivers for scaling up*: Specifically, they had strong leadership with a clear vision of the need for large scale impact, with ideas that were suited to the challenge, ready to learn from experience, willing to stay engaged for the long haul, championing the cause, building partnerships with other like-minded actors and politically savvy in overcoming obstacles. This leadership could come from public officials, such as the President of Mexico and his Deputy Minister of Finance in the case of "Progresa", from private individuals, such as the founders of Grameen Bank and BRAC, from a community of national experts and community leaders, as in the case of the Peru Highlands Development Program, from outside aid donors, as in the case of the West-African River-Blindness program, or be part of a well-established system of experimentation with replication of success as established in China's approach to economic growth.

- *The programs created the space for sustained growth*: As programs expanded successfully they managed to open up financial and fiscal space by keeping costs down and finding suitable financing mechanisms; they pursued policy reforms that created favorable legal and regulatory conditions; they created the institutional space by identifying appropriate organizational approaches and building institutions for managing the programs at scale; they adapted approaches to the specific cultural realities; and they created political coalitions and operational partnerships that made it possible to grow and sustain the initiative. In the case of "Progresa-Oportunidades" the Mexican government designed a program with a long-term goal of universal coverage of all poor, but started with carefully designed pilots, which were subjected to detailed evaluation against control groups and adapted as needed during the 5-10 year scale-up phase. It created the required fiscal and financial space by abandoning other less successful social programs and by seeking the support of international financial institutions. The government also insulated "Progresa-Oportunidades" from political controversy by carefully monitoring and documenting its positive impacts and by legally assuring that it did not get caught up in party politics. Finally, it designed an institutional approach suitable for phased nation-wide scale-up with minimal bureaucratic obstacles.

Why are these success stories the exception rather than the rule? The first explanation for the lack of systematic and effective focus on scaling up lies in the nature of governmental and bureaucratic incentives and the resulting planning and implementation mechanisms in the developing countries themselves. Typically, governmental plans set out broad targets, policies and implementation modalities, but they generally do not link specific interventions, projects and programs or individual agency budgets and investment plans with the longer-term goals set forth in national or sectoral plans. Moreover, whenever governments or heads of agencies change, the new leadership has a strong tendency to discard the programs supported by the former incumbents and instead to pursue new ideas and new programs. Finally, the practice of methodically evaluating the impact of programs is poorly understood in most countries, and in any case is not well appreciated, since politicians and agencies like to claim success, but prefer not to acknowledge failures in their programs. Contrast this with the incentives for scaling up in the private sector: In a competitive market a successful new initiative, i.e., one that makes a profit, will be replicated and scaled up either by the firm that pioneered it, or by competitors who see the opportunity to garner some of the potential profit for themselves.

The second explanation can be found in the way aid agencies work. While some donors help governments with advice and technical assistance to develop a longer-term national, sub-national and sectoral plans and improved budgeting and investment planning mechanisms, the aid agencies' own operational modalities and incentives tend to operate just like those of governments: Their operational policies, programming, management and staffing do not encourage support for systematic scaling up. On the contrary, they tend to focus on innovative initiatives and even discourage replication of successful projects and programs. They do not reward effective monitoring and evaluation against longer-term objectives. They rotate managers and staff frequently and with little attention to ensure appropriate hand-over. And the incentives for staff are to start new projects rather than focusing on implementing and building on ongoing ones. And while partnerships, coordination and handing off programs to the clients are encouraged at the level of ministers and agency heads, in practice staff have little incentive to pursue these avenues, since they take time, effort and even budgetary resources, increase risks of delay and of loss of institutional identity and control, and since fiduciary requirements for procurement and disbursements are not harmonized among donors.

What needs to be done to make scaling up the norm? Let us start with aid agencies. Donors have an obligation to do no harm, and it can be argued that their proliferation of small, one-time, uncoordinated and unevaluated interventions do more harm than good. They certainly represent an opportunity forgone, namely the opportunity to support a systematic focus on scaling up successful development interventions. Indeed, this represents an obligation that should be reflected in the mission statements of all official aid organizations, as well as in those of the larger non-governmental organizations and foundations that provide development assistance.

A recent assessment of donor performance in terms of their attention to scaling up concluded that donors need to address five critical gaps in their operation approach:

1. *Institutional information gap*: Aid agencies should review and develop their institutional approaches to scaling up.
2. *Evaluation gap*: Evaluations of donor projects should include an assessment of the scaling up practices of donors.
3. *Incentives gap*: Donors need to develop internal and external incentives (e.g., operational policies and staff incentives; replication funds, competitions) to help drive the scaling up process.
4. *Partnership gap*: Donors should expand the use of programmatic approaches and instruments with joint funding of programs designed to bring donors together so they can help scale up successful interventions;
5. *Ownership gap*: Ultimately, scaling up is a country's job; donors need to help by setting an example, build capacity and hand off to agents in the country.

In their turn, the governments of developing countries need to make scaling up of successful interventions an explicit part of their national planning and programming, need to implement rigorous monitoring and evaluation as learning and accountability mechanisms for the political and agency leadership, and need to find ways to ensure that successful programs do not fall victim of the electoral cycle.

The good news is that progress is being made. There is now a well established body of evidence that scaling up can and does work, even in fragile states. There exists a framework for analyzing, planning monitoring and evaluating scaling up approaches, building on the scaling up pathway, drivers and incentives concepts as summarized above. Examples of governments focused on scaling up success show that it is possible to pursue this avenue to development, with China the outstanding case in point. And some aid agencies have begun to focus systematically on scaling up in their operational mission, strategy, policies, processes and incentives, among them IFAD, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Bill and Melinda Gates Foundation. The United Nations Development Program has made scaling up an explicit criterion in its evaluation of its programs. And the Gesellschaft für Internationale Zusammenarbeit (GIZ) recently issued practical guidelines for scaling up.

What is needed now, and what development ministers and agency heads should focus on in Busan and beyond, are the following three important priorities to ensure that an operational focus on scaling up becomes the rule, not the exception, in the way governments and aid agencies work:

1. Developing country governments commit themselves to introduce the scaling up objective and practice into their own planning, implementation, evaluation and accountability mechanisms.
2. Official donors and large private donors commit to introduce the objective and practice of scaling up into their mission statements, operational policies and evaluation practices.
3. Donors specifically commit to assist development partners through their technical and financial assistance to implement systematic approaches and incentive mechanisms that help drive the scaling up of successful development interventions.

Scaling up success is not rocket science. It is a simple, intuitively appealing concept. And yet in practice it has been an orphan in the development literature and practice. Fortunately, this is now changing. We do not need complex models and metrics, nor do governments and aid agencies need sophisticated operational instruments. What we need is for scaling up to become the accepted goal at the political and institutional level. We need a clear vision of scaling up pathways, an assessment of the needed drivers and spaces for scaling up. And we need a readiness to evaluate progress against ultimate and intermediate goals and to adjust the scaling up pathway in light of the lessons learned.■

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