Sense and sensibility: the role of policy dialogue in the EU's new global agenda

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Introduction

With the "policy first" principle recently enshrined as a guiding rule for the programming of EU support under the unified NDICI (Neighbourhood, Development and International Cooperation Instrument), it is time to stop for a moment to consider how policy dialogue works in practice and in what ways it can strengthen EU Delegations in their role of development partners.

Although the term "policy dialogue" has become almost ubiquitous, scarce attention has been paid to its operational implications or to the subtle ways in which it is transforming international cooperation. Such a reflection seems especially timely given the current move towards "geographisation", a devolution of responsibilities from headquarters to the country level that may increase both EU Delegations' political clout towards partner governments and the pressure to deliver development outcomes alongside the new EU priorities for external action.

Despite the many challenges ahead, EU Delegations hold a unique position to broker the kind of multistakeholder partnerships needed not only to attain the SDGs, but also to ensure a just transition to greener and digital economies. Such a profound transformation can only be achieved by making policy dialogue more inclusive and participatory so as to base EU support upon domestically owned agendas for reform.

Since 2012, the European Partnership for Democracy has been at the forefront of civil society efforts to make EU policy dialogue more inclusive and participatory through the development of the INSPIRED approach.[1] This paper is based on the experience of the EPD Programmes Team in supporting policy dialogue processes in 20 countries over the last decade.

It draws on lessons from working closely with national authorities and the EU as well as from strengthening the capacities of over 100 CSOs in the use of policy analysis, monitoring tools and dialogue techniques. Engaging meaningfully in policy dialogue requires a healthy dose of common sense and a knack for understanding the sensibilities of different actors. In other words, engaging in policy dialogue makes sense, but it will only yield lasting results if it's done with sensibility.

1 https://inspired.epd.eu

1. What do we talk about when we talk about policy dialogue?

As with any other field of specialisation, the development sector is prone to the sudden inflation in the use of terms that supposedly refer to new practices, but quickly become buzzwords without a clear meaning or common understanding among those who are expected to make use of them.[2] This is pretty much what has been happening lately with the notion of "policy dialogue", an intervention modality that has become almost ubiquitous in academic literature and legal documents alike, to the point of being described as "*the new software of EU development policy*".[3] However, its actual meaning and implications still remain quite vague, to the point that many officials are still asking themselves what it actually means to engage in policy dialogue, how they can report on it, in which ways it differs from political dialogue, etc. To date, the only official EU document that contains an explicit reference to policy dialogue is the new version of the EU Budget Support Guidelines issued in September 2017.[4] In its Annex 13, under the title "Policy dialogue in the context of budget support", the document provides its target readers –mainly officials in EU Delegations– with rather vague indications on how to conduct an effective and credible policy dialogue with those partner countries and in those sectors that are eligible for budget support.

Such lack of explicit guidance could give officials and development practitioners the false impression that policy dialogue is something new, when in reality it has been around for almost four decades. Actually, policy dialogue came to life in the framework of the now infamous Structural Adjustment programmes and was mainly conducted by the two main international financial institutions, the World Bank and the International Monetary Fund. Defined at the time as "*formal exchanges about the domestic policy framework influencing the outcome of an aid transfer*",[5] policy dialogue was used in the framework of a new approach designed to respond to aid recipients' demands to replace project aid by balance-of-payments support and sector aid.[6] Ever since, and not without hiccups, policy conditionality has progressively given way to policy dialogue.[7] While the original Structural Adjustment Lending laid the ground for what would later become budget

2 A comprehensive account of this trend can be found in: Deconstructing Development Discourse: Buzzwords and Fuzzwords, edited by Andrea Cornwall and Deborah Eade, available at: https://www.academia.edu/2636393/Deconstructing_Development_Discourse_Buzzwords_and_Fuzzwords.

3 Modules from the DEVCO (now INTPA) training course to EUDEL staff on Policy Dialogue.

4 "Budget Support Guidelines", European Commission, Tools and Methods Series, Guidelines nº7, Brussels, September 2017.

5 "Structural Adjustment and Policy Dialogue" P. Daniel, IDS Bulletin 17(2),1986.

6 Unsurprisingly, the implicit asymmetry between lenders and borrowers somehow blurred the distinction between "dialogue" and "conditionality", as donors made sure to preserve their capacity to exert leverage over those policies that could affect the repayment of their loans. Initially, the policies were economic in nature, but later social policies would also be affected, quite dramatically in Latin America, where the imposition on poor countries of neoliberal recipes championed by the Washington Consensus resulted in a "lost decade". Today, most donor organisations have officially moved away from prescribing very similar policy solutions to very different countries and contexts, doing their best to tailor their programmes and aid modalities to the local circumstances and to take on board local insight, experience and constraints.

7 This is of course a rather quick summary based on the perspective of aid recipients; on the side of aid providers such as the World Bank and the IMF there were also solid reasons to promote forms of support that would strengthen the financial capacities of partner governments to ensure continuity and maintenance. The evolution in the way of thinking of the donor community at the time can be seen in a World Bank policy report by David Dollar and Lant Printchett, published under the title "Assessing Aid" by Oxford University Press, 1998.

support[8] – through a series of subsequent approaches, from the SWAps[9] to the PRSPs[10]– donors became more aware of the political and social impact of their development aid in the partner countries, including many unintended consequences.

However, while politically correct donors may want to avoid the word "conditionality", the intervention logic of policy dialogue can't be explained –and is unlikely to succeed– without building on the different sets of incentives that international aid can offer to partner governments. These can be economic (investments, grants, loans…), commercial (trade preferences, inclusion into global value chains…) or even political (institutional support, endorsement of reforms…) and usually remain implicit so as to avoid any kind of patronising undertones. But failure by donor organisations to acknowledge the existence of this underlying conditionality can be highly counterproductive. Not only because it gives ammunition to those who criticise those same donors for being hypocritical while pushing for their own hidden agenda, but also because it misses the fact that conditionality –and the external pressure that it entails– can actually have positive consequences.

Indeed, in many cases, conditionality has become a key driver of reforms that often benefit the least advantaged or most vulnerable groups in a society. Examples include the requirement for EU partner countries under the GSP+ scheme to make progress towards implementing key UN Human Rights and ILO Labour Rights Conventions,[11] or the condition for potential recipients of budget support to put in place transparency and accountability mechanisms and conduct thorough Public Finance Management (PFM) reforms in order to receive direct financial transfers.[12] Moreover, governments who claim that conditionality undermines national sovereignty often disregard the fact that donor funding comes from taxpayers' money and, as a result, those who manage development programmes are also being held accountable for their proper use. Actually, it is this inherent tension between "local ownership" and "donor conditionality" that characterises policy dialogue as a "discussion over the allocation of values" that is "*conducted in the context of significant imbalances of knowledge, power and dependency.*"[13]

Which brings us to the second defining aspect of policy dialogue: its strong political implications. What makes policy dialogue so interesting for all the stakeholders involved –including donors– is that it falls in a middle-ground between the technical sphere and the realm of politics. It is well-known that some donors –especially the

8 Already in the early nineties a major share of Swedish aid was being devoted to Budget Support (together with balance of payments support) and instead of being earmarked for specific purposes it was linked to general policy conditions. "Swedish Development Aid: Building Global Human Security" in "Crisis or Transition in Foreign Aid", Overseas Development Institute, London, 1994.

9 Sector Wide Approaches combined several aid modalities within a given sector policy, but although the mix often included Budget Support, the bulk of the funds were not disbursed through government systems.

10 The Poverty Reduction Strategy Papers (PRSPs) were introduced by DFID in 1999 to favour the use of General Budget Support instead of sector approaches so as to address government-wide weak capacities and inefficiencies.

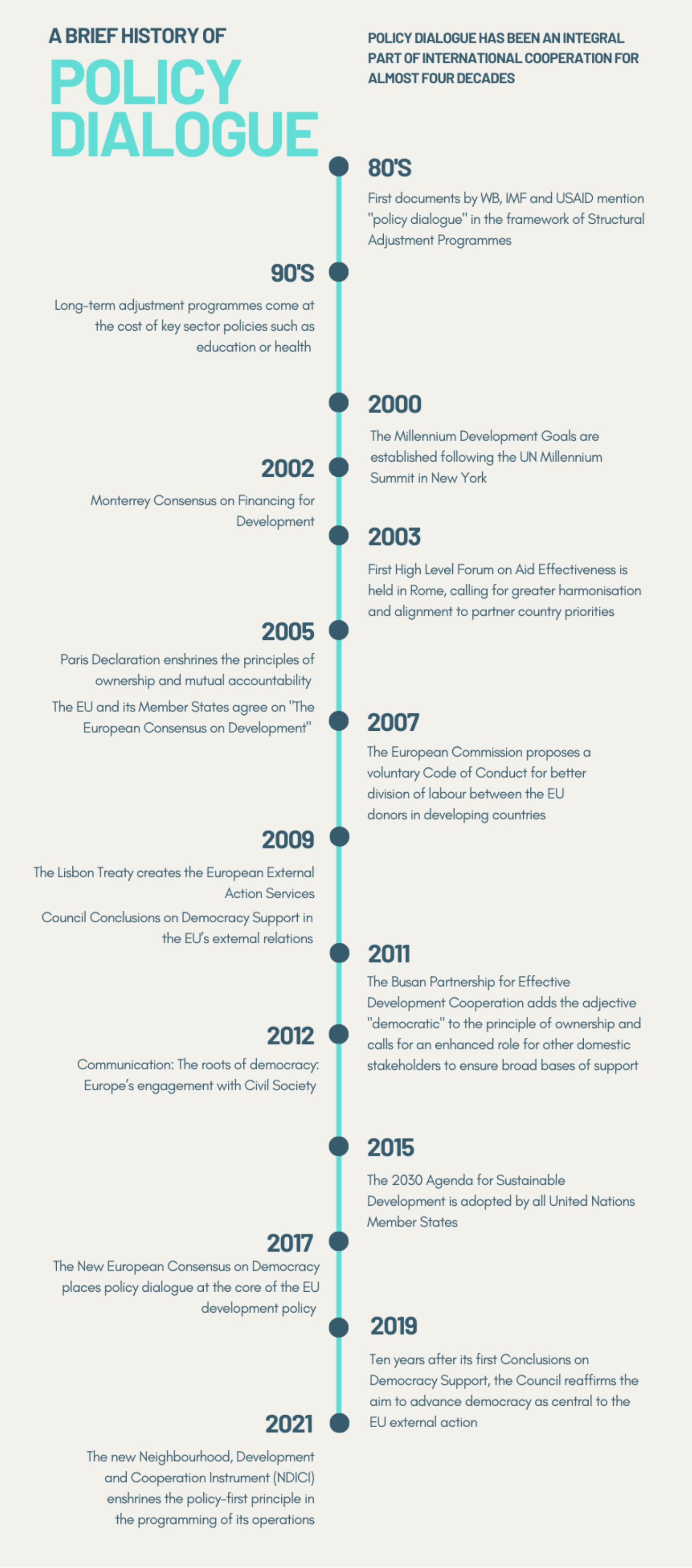
11 The Generalized Scheme of Preferences was developed in the early seventies after the GATT allowed the concession of tariff preferences to goods from developing countries as long as they were "generalized" and "non-discriminatory". Ever since, the GSP has been one of the EU's favoured instruments to promote development through trade while promoting the adoption of Human rights and Labour standards on those countries willing to benefit from the scheme. Similar initiatives such as EBA –Everything But Arms–have followed suit and grossly fall under the same category.

12 A robust and transparent system of Public Finance Management is a rather understandable prerequisite for donors to directly transfer funds into the State Treasury of their partner countries. This is not to say that PFM reforms do not deliver results in their own right, as solid PFM systems are the best way to balance revenues with expenditures and thus ensure that policies are financially sustainable and politically credible.

13 "Thinking and Working Politically: An Evaluation of Policy Dialogue in AUSAID", Peter Bazeley, Taylor Brown and Emily Rudland, Office of Development Effectiveness (ODE), Australian Agency for International Development (AusAID), Canberra, April 2013.

EU– feel more comfortable when framing development as a matter of "capacity building" or "knowledge transfer", whether through "technical assistance" or the "exchange of experiences". By using these somewhat aseptic terms, donor organisations try to present an image of neutrality and avoid offending aid recipients but, whether we like it or not, development work is profoundly political, as it fosters the empowerment of certain groups and directly affects the balance of power in the communities and societies in which it takes place. As with conditionality, turning a blind eye on this reality just makes it more difficult to design and implement aid programmes that serve those most in need, rather than entrenched elites or corrupt officials.

On a positive note, the initial aversion of the EU development system to deal with the politics in development, a legacy of the Cold War but also of the organisational culture of the European Commission,[14] has lately made space for a more realistic approach, partly due to the increasing devolution of competences from Headquarters to the EU Delegations –recently enhanced in the bureaucratic reform labelled as "geographisation"– and partly thanks to the creation of the European External Action Service (EEAS), whose officials –a mix of career diplomats and former Commission staff– are more inclined to focus on geostrategic and genuinely political concerns. Despite some initial friction and occasional turf wars among different departments and services, these two viewpoints are strongly complementary in an increasingly interdependent world.



14 For a broader analysis of the Commission's reluctance to engage in the political analysis of partner countries see "INSPIRED: Operating Model for Inclusive and Participatory Policy Dialogue" Sebastian Bloching and Sergio Rodríguez Prieto, EPD, Brussels, 2015.

Furthermore, the EU's original reluctance to engage politically and its fear to get sucked into domestic power struggles are rapidly changing as a result of the work of the Delegations at policy level, which is where truly meaningful and sustainable results are most likely to happen. This has also entailed an upgrade in terms of the level of interlocution and the depth of the debate between donors and partner governments, which has shifted from discussing mainly procedural and technical aspects –a form of micromanagement– to deliberating about potential policy solutions to overcome national problems. Indeed, by complementing its traditional "project approach" (based on problem-solving) with its new focus on policy reform (from a rights-based approach), the EU has crossed an invisible threshold and entered a new realm from which it can hardly step back, unleashing dynamics within its own development system that are difficult to reverse.

Working on policy requires technical knowledge, but also political skills to grasp the chances of success and to identify the champions and spoilers of any given reform. In other words, the focus on public policy requires investment into the development of a new professional culture in the EU institutions – a process that has already begun but still needs to gain better traction if Europe wants to play a meaningful role in a multipolar world. Not incidentally, this nascent change in the organisational culture of the EU development system –which includes not only the EEAS and DG DEVCO (tellingly renamed INTPA), but also DG NEAR and, increasingly, DG CLIMA and DG Environment, as well as other key institutional players such as the European Parliament and the Council– is happening in parallel to a profound transformation of how the EU sees itself in the global world. Luuk Van Middelaar has recently explained how the EU itself is undergoing a transition from the "politics of rules" to the "politics of events", changing its traditional approach towards problem solving through new regulation –and by sticking to the letter of the Treaties– to new forms of responding to unexpected events and crises, which by definition lack any precedent and thus need to be solved in innovative ways. [15]

This attachment to "norms" is something that officials working in the EU Delegations are very familiar with, as the different kinds of association agreements that frame the relationships between partner countries and the EU cannot cover all the aspects that may arise in their cooperation.[16] The need to respond to unexpected events such as the democratic transformations in Tunisia, Myanmar or Armenia –with their sudden and also unexpected backslides– or to deal with the populist whims of political strongmen like Duterte in the Philippines or Japarov in Kyrgyzstan forces the EU to continuously adapt its work to the political realities of the countries in which it operates.

In such a challenging geopolitical context, policy dialogue is not just one intervention modality among others; it represents a unique opportunity for the EU and its Member States to reassert their democratic values in a rapidly changing world, where frequent shifts are reconfiguring the balance of power among countries and institutions precisely when humankind is facing its most pressing global challenges. Almost unknowingly, the EU plays with a huge advantage in supporting policy dialogue, even if only because its own internal *modus operandi* consists of a set of policy dialogues undertaken first by the six founding Member States and then continued with the newcomers through subsequent enlargement processes – which, by the way, also entailed long negotiations based on "conditionality". Even the gradual acquisition of competences by the European Institutions –environment, competition, research, health or education–

15 "Alarums and Excursions: Improvising Politics on the European Stage", Luuk Van Middelaar, Newcastle, 2019.

16 These can stretch from "mere" Association Agreements to Stabilisation Agreements, Deep and Comprehensive Free Trade Agreements or Economic Partnership Agreements, all of which focus on Trade relations but also include political, economic and social commitments that delineate the framework of the EU relations with the partner country and therefore outline the key priorities of future EU cooperation.

responds to a clear policy approach and has fostered the creation of robust policy networks at the European level. Policy dialogue is embedded into the EU's own way of thinking and acting, to the point that in Brussels its positive effects are often taken for granted. However, these implicit assumptions need to be made explicit to unleash its full potential for EU external action, as the wide array of actors deployed across the world –from ambassadors to financial officers, practitioners, experts or project managers– are in dire need of understanding to what extent policy dialogue informs their daily work and what are the tools at their disposal to promote and defend the European values on the global stage.

2. Why policy dialogue needs to be inclusive and participatory

As a result of their own history and the nature of diplomatic relations, most donors tend to conduct policy dialogue on a bilateral basis –i.e., with the government of a partner country. Traditionally, officials in the embassies of EU Member States or in EU Delegations, who intend to support a given national reform, would engage in negotiations with public officials designated by the partner government, thus establishing a more or less fluent working relationship with their counterparts. This bilateral approach towards policy dialogue has some advantages: it allows donors to clearly identify those focal points in the partner country who oversee a given dossier, it ensures that interlocutors have a reasonable level of technical knowledge, and discussions involve those officials who have a proper mandate to act in the name of the government.

However, the pros of this bilateral approach are heavily outweighed by the cons. Partner country officials have a clear interest in obtaining the funds earmarked under a given donor support programme, so they will be inclined to paint a rosy picture of the situation in "their" policy field and to conceal any deficiencies or flaws that could undermine the credibility of on-going or planned reform efforts targeting that same policy field. Moreover, policy dialogues mostly unfold in countries whose public administrations are still burdened by patrimonial relations or clientelist appointments, which means that the incumbent officials are not always as knowledgeable and competent as they should be and may be bound by hidden associations to political factions or interest groups. On top of that, many of the countries in which the EU operates are not characterised by political stability, to say the least, which means that in the likely case of a shift in political power all the work conducted on a bilateral basis with the previous government can be pushed aside by the newcomers, especially if the latter weren't involved in the negotiations.

Besides these practical drawbacks, there is an even more serious risk for bilateral policy dialogue to become detrimental to the EU's principles and values. Dealing almost exclusively with the political forces in office can help to cement their grip on power, thus contributing to the sort of winner-takes-all attitude that still prevails in many new electoral democracies –not to speak of authoritarian regimes. Furthermore, the temptation to focus on the executive government in order to speed up reforms often comes at the expense of parliaments and other oversight bodies, while the tendency to present policy choices as mere solutions to technical problems deprives citizens of the chance to understand and influence those decisions that affect them most.

It is not by chance that the Lisbon Treaty defines democracy as a fundamental principle of the EU, to be enshrined in all policies of external significance.[17] Even considering that the nexus between development and democracy is still being contested,[18] the Lisbon Treaty took a normative stance towards an issue that has strong implications for the EU External Action, which has resulted in a steadily growing number of

17 https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:12012M/TXT

18 Most recently, Francis Fukuyama has relied on the influential book by Frederick C. Mosher, "Democracy and the Public Service" (1968), to argue that clientelism is the result of extending the voting franchise to a wide swap of the population when the State bureaucracy is still too weak to resist the patrimonial manoeuvres of the elected politicians.

initiatives to support democracy and democratisation processes around the world. From the 2009 Council Conclusions on Democracy Support in the EU's External Relations[19] to the EEAS Global Strategy[20] or the EU Action Plan on Human Rights and Democracy[21] (currently in its third edition for the period 2020-2024[22]), democracy figured prominently in the EU's discourse during the time when a traditional champion like the United States had dramatically withdrawn its support in this field.[23] Now that the Atlantic tide has changed again and the new US Administration is rallying forces to counter the global democratic backslide, the EU must ensure that the potential of the NDICI is fully seized by streamlining democratic concerns into its operations worldwide.[24]

Up to the present day, democracy support has been overwhelmingly understood and conceived as supporting the organisation of free and fair elections, a focus that has somewhat neglected other key areas for the proper functioning of democratic systems. It is true that the EU has been broadening its scope by including support to key political players such as parliaments and political parties, media or civil society organisations, but in doing so, the EU has often followed a piecemeal approach that fails to take into consideration the interconnections between those democratic institutions and actors when it comes to building a proper system of effective checks and balances.

One way to put into practice the democracy support mandate outlined in the Lisbon Treaty could be to mainstream democracy into EU development cooperation by introducing a participatory dimension into policy dialogue and budget support, in line with the existing requirements on transparency and accountability. However, opening policy dialogue to other stakeholders is not only a matter of fairness, but of outright efficiency. Those EU officials that have already opened the game to other democratic actors in their dialogue with the partner country's authorities have rapidly realised how their vision of the policy field has broadened. This, in turn, has provided them with a more rounded understanding of the problems at stake, not only from the perspective of government officials but also from that of the final beneficiaries. By letting different stakeholders take part in the debate, hidden interests are brought to the surface, entrenched problems can be analysed from different angles, and potential spoilers are identified before they can boycott the reform from within. In other words, just by observing the interplay between domestic actors, donors can collect the sort of politically relevant information that escapes them when they exclusively engage with the government.

Moreover, involving a wide array of stakeholders can also contribute to developing policy solutions that are truly tailored to the social reality of the countries in which they unfold, thus avoiding the kind of ready-made recipes often suggested by foreign experts –which government officials tend to accept as long as this means that the "promised" funds will be disbursed. It is not by chance that it was civil society organisations who pushed for a broader understanding of the concept of ownership,[25] which has evolved from the notion

19 https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/gena/111250.pdf

20 http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf

21 https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131181.pdf

22 http://data.consilium.europa.eu/doc/document/ST-10897-2015-INIT/en/pdf

23 https://carnegieendowment.org/2018/10/01/can-u.s.-democracy-policy-survive-trump-pub-77381

24 https://www.state.gov/summit-for-democracy/

25 "Which Way the Future of Aid? Southern Civil Society Perspectives on Current Debates on Reform to the International Aid System", Alina Rocha Menocal and Andrew Rogerson, ODI, January 2006.

of "government ownership" enshrined in the Paris Declaration on Aid Effectiveness to that of "country ownership" –i.e. by national stakeholders within as well as outside of government– agreed upon in Busan six years later (2011).[26] Indeed, when coupled with the transition from "project aid" to "policy-based aid", this new angle towards the principle of ownership not only increases the legitimacy of any domestic reforms that the EU supports, but also promotes a culture of evidence-based policy-making, as new stakeholders get a chance to contribute to informed deliberations about public policy with their specific knowledge and data. In the medium to long-term, this focus on policy reforms involving a wide range of stakeholders can trigger the virtuous circle of inclusion and accountability that lies at the heart of the most successful developmental processes.[27]

Most importantly, opening policy dialogue to other democratic actors and taking on board some of their suggestions in the quest for consensus does not only contribute to the promotion of a culture of democratic dialogue; it also has a direct influence on the sustainability of the policy reforms to be eventually supported by donors through different aid modalities, as the base of support for the resulting reforms will be much broader and, therefore, these will be less susceptible of being blocked, turned upside down or just tossed in the dustbin when there is a change in government. Even though the ultimate responsibility over public policy lies with the government –we must not forget that in democratic countries, policy making is the legitimate means for political parties to implement their electoral programmes– this is seldom an exclusive competence. In most policies –health, education, even transport or energy– the government cannot run things single handedly and needs to rely on other stakeholders –CSOs, grassroots organisations, trade unions, business associations, private actors, etc.– to ensure a successful and comprehensive implementation of those policies. Needless to say, all of these implementing partners will be more engaged and aligned to the policy objectives if they have been involved in their formulation and if they have had a say in devising the implementing modalities according to their interests, capacities and constraints.

26 https://www.oecd.org/dac/effectiveness/49650173.pdf

27 "Why Nations Fail: The Origins of Power, Prosperity and Poverty" by Daron Acemoglu and James A. Robinson, Random House, 2012.

3. What kind of results can one reasonably expect from policy dialogue?

If dialogue is such a widespread term in the international arena it is because of its positive connotations, as it is broadly understood as the main means to avoid or overcome conflict. At its best, dialogue wields enormous transformational power, as it allows individuals and social groups to understand each other's concerns and revise their own thoughts and beliefs accordingly. Putting oneself into someone else's shoes is not only a chance to grasp aspects on a given issue that would otherwise escape us, but also an opportunity for personal growth through mutual recognition and joint learning.

On the other hand, the fact that the term dialogue has been used so widely in different professions or sectors such as diplomacy, international development, peacebuilding or democracy support, has resulted in what is nowadays known as "dialogue fatigue".[28] Words are easily blown with the wind and many actors from the Global South are logically tired of the profusion of multi-stakeholder processes that get stuck, or lead to a dead end, or are just a façade to rubber stamp decisions already taken elsewhere. Disillusion and scepticism are the natural response when these actors realise that their influence on the established power relationships and patterns of decision-making are very limited, if not negligible.[29] The ensuing frustration is often the result of attempting to deliver transformative change following the somewhat reductionist problem-solving approach so dear to development practitioners.

The main outcome of a dialogue process is neither an agreement –that's the result of negotiation– nor the imposition of a single answer to a given problem –in which the interests of one single stakeholder would prevail.[30] The main outcome of dialogue is to better understand all the factors that need to be considered to bring about a desired change. Therefore, in the case of policy dialogue, the main expected outcome is policy change. Which begs the question: How does policy change?

Of course, there is not a single answer to such a million-dollar question. Policy analysts, politicians, activists or scholars, not to speak of international bodies like the OECD, have come up with different theories, which in most cases seem plausible and useful for the purposes of the particular individual or institution. However, these theories about policy change are neither infallible nor universally applicable.[31] Whether one adopts the "Policy Windows" theory developed by the American scholar John Kingdon in the early 80s –from where the household expression "window of opportunity" originates–, the "Regime" theory –which questions

28 As an expert in budget support puts it: "Dialogue fatigue has two sides: the donor is getting tired since the partner is not progressing into the direction desired or envisaged by the donor, while the partner country also ends up getting tired of Delegation staff that is insufficiently prepared, has little knowledge, lacks patience, does not understand the political economy relations, suffers from the 4-year rotation system and brings in frequently new 'themes' that are fashionable in the development community".

29 "Dialogic Approaches to Global Challenges: Moving from "Dialogue Fatigue" to Dialogic Change Processes" Bettye Pruitt and Steve Waddell, Generative Dialogue Project, August 2005.

30 For a useful differentiation between dialogue, negotiation and debate, see: "Practical Guide on Democratic Dialogue" GS/OAS, UNDP, Mirna Ángela Cuentas and Anaí Linares Méndez, Guatemala, February 2013.

31 For a full review of theories and frameworks for action see "Pathways for Change: 10 Theories to Inform Advocacy and Policy Change Efforts", Sarah Stachoviak, ORS Impact, October 2013.

the often assumed distinction between public and private interests–, or the "Large Leaps" theory –which posits that large-scale change occurs in sudden bursts when an issue is defined differently or receives heightened media attention or new actors get involved–, it is very unlikely that a single framework will capture *all* the aspects that can shape policy and bring about change.[32] If such a diverse and complex change process as public policy making cannot be fully anticipated, let alone planned, why attach oneself to preordained outcomes that are, in the best of cases, based on necessarily incomplete assumptions? Wouldn't it be wiser to remain open to what is happening in the policy field and react according to the ever-changing circumstances?

Unfortunately, this attitude of openness, such a "wait and see", doesn't match well the obsession with results that has taken hold of the development ecosystem in the last couple of decades. This is not to say that results are unimportant or that the Results Based Approach is useless; on the contrary, without a results framework it is hard to plan, coordinate, communicate, let alone be held accountable. But in policy work there are so many variables and vectors of influence that focusing too much on predefined results can produce the sort of tunnel vision that precludes adaptation and may even encourage promoters of reform to turn a blind eye to the unintended effects of their actions, often leading to what the economic historian Jerry Z. Muller has branded as "The Tyranny of Metrics."[33] Consequently, when approaching public policy, we need to remain aware at all times that measuring progress can end up introducing all sorts of distortions, from the principal that instructs teachers to focus exclusively on practicing tests in order to increase the school's performance in the national examination, to judges that cannot devote the necessary time to delve into a complex case if they want to meet the Court's performance targets.

Of course, acknowledging the bias that measurement practices may introduce into policy doesn't mean that they need to be abandoned or neglected; on the contrary, the advantages of relying on solid Performance Measurement Frameworks trump the inconveniences that can derive from their improper use. However imperfect they may be –and unpopular among those who are subjected to their application– measurement frameworks are essential when it comes to assessing the track record of a given policy. Without clear indicators and corresponding data needed to measure progress, decision-makers lack the necessary evidence to correct, change or discontinue those aspects of a policy that are not working as expected. Measurement frameworks are also key for transparency and accountability, as they have proved instrumental in opening the "black-box" of government by allowing external actors to monitor the ways in which public funds are being used. Finally, with their focus on objectives, such frameworks are the most effective tool for aligning the agendas of the multiplicity of stakeholders that are often involved in policy implementation. But all these advantages can easily turn into drawbacks if the political dimension of indicators is neglected or concealed under their technical aspect.

Another thorny issue when working on policy dialogue is the increased complexity of the dilemma of attribution: the more actors partaking in policy-making and involved at different stages of policy implementation, the harder it is for any single one of them to claim responsibility for the success of a given policy initiative. For foreign actors such as donors, this challenge is further compounded, as they usually

32 For more information on the approaches mentioned, see "Agendas, Alternatives and Public Policies", John Kingdon, 1984 / "Regime politics", Lawrence, Clarence N. Stone, University Press of Kansas, 1989 / "Agendas and Instability in American Politics", Frank R. Baumgartner and Bryan D. Jones, University of Chicago Press Books, 2009.

33 "Almost inevitably, many people become adept at manipulating performance indicators through a variety of methods, many of which are ultimately dysfunctional for their organizations." The Tyranny of Metrics, Jerry Z. Muller, Princeton, 2018.

aim to promote local ownership of policy reform while trying to prove that they contributed to said change with their programmes. Therefore, the impact of policy work needs to be thought of in terms of "influence", i.e.: to what extent a given political actor is managing to shape the policy at stake according to its interests, principles and demands.[34]

All these challenges explain why arguably the most appropriate way to measure progress in policy dialogue is to focus on the changes in the attitudes and behaviour of the actors involved. In other words, to look at the policy field not only from a "structural" standpoint, which is usually rather static, but also through the lens of "agency": "*defined as the ability of individuals, organisations and groups of collective actors to consciously deliberate and act strategically to realise their intentions*".[35] Indeed, focusing on the players and the way that they interact makes everything more dynamic, but also much more balanced and comprehensive, as stakeholders are not assessed individually but as parts of the system in which they operate.

First-hand experience in supporting inclusive and participatory policy dialogue shows that it can deliver four main types of change among the different actors in the policy arena.[36] Firstly, their willingness to work with others, which is a precondition for the sort of cooperation mechanisms among diverse stakeholders that are crucial for any policy to succeed. Secondly, their willingness to improve policy implementation, which is the main motivation for reform and the basis for the kind of shared vision that can ensure that everyone is rowing in the same direction. Thirdly, their willingness to produce and share information, which, progressively, drives public officials towards a culture of transparency. And finally, their willingness (and ability, if duly supported through capacity building) to monitor policy implementation, which constitutes one of the most objective means of holding the government accountable to its promises, as well as of promoting a culture of evidence-based policy making. So besides whatever improvements the policy reform as such may bring about, the fact of approaching it through multi-stakeholder dialogue also improves cooperation, clarity of intention, transparency and knowledge, the sort of "intangibles" that are usually so difficult to deliver.

34 "A guide to monitoring and evaluating policy influence", Harry Jones, ODI Background Notes, 2011.

35 "From Political Economy to Political Analysis" David Hudson and Adrian Leftwich, DLP, June 2014.

36 Outcomes Harvesting of INSPIRED+ project.

4. What role for donors in the new global agenda?

All the types of results described above have one element in common: they can't be achieved without trust, which constitutes the basis of cooperation among individuals and the main source of social capital. Indeed, the capacity to rely on others without seeing one's expectations turned down constitutes the fabric of society and the precondition for engaging in the sort of collaborative work that allows people to address and overcome shared and complex challenges. On the opposite side, distrust has a paralysing effect, not only because it increases the degree of uncertainty in our relations with others, but also because it has the tendency to rapidly spread across societies and undermine the basic tenets of mutual support and solidarity that glue communities together.

The importance of trust for the health of politics, economy and society in general was showcased during the last worldwide financial crisis, when the contagion effect of the subprime mortgage crisis in the United States rapidly spread to Europe and the rest of the world. Similarly, the slow pace in which countries are adopting measures to address the consequences of climate change can be explained by their reluctance to undertake reforms that could undercut their competitive edge in global markets without the reassurance that other countries and rivals will do the same.

These are just two examples to illustrate the importance of trust in decision-making and the need for donors and global actors to devote more attention and resources to nurturing such a valuable and fragile asset. Since early times, international relations have been based on competition, first on a military basis, then on an economic one. But even competition is underpinned by collaboration, as different actors are obliged to cooperate in order to increase their advantage over their rivals, and these are often compelled into joining forces to address even bigger challenges or threats.

In many ways, trust is at the core of commerce and international relations, which cannot be conceived without it, and therefore its promotion should constitute one of the driving principles of international cooperation. However, despite having laid the foundations of diplomacy and multilateral cooperation,[37] scarce attention has been paid to the concept of trust in the development sector, a situation that is slowly starting to change with some of the most innovative donors like SIDA engaging in trust-based and adaptive management[38] or with global corporations highlighting the importance of trust building among development actors if the private sector is to engage in delivering the UN Sustainable Development Goals (SDGs).[39]

Indeed, if the UN Agenda 2030 is to succeed, donors need to reinvent their role in fostering development,

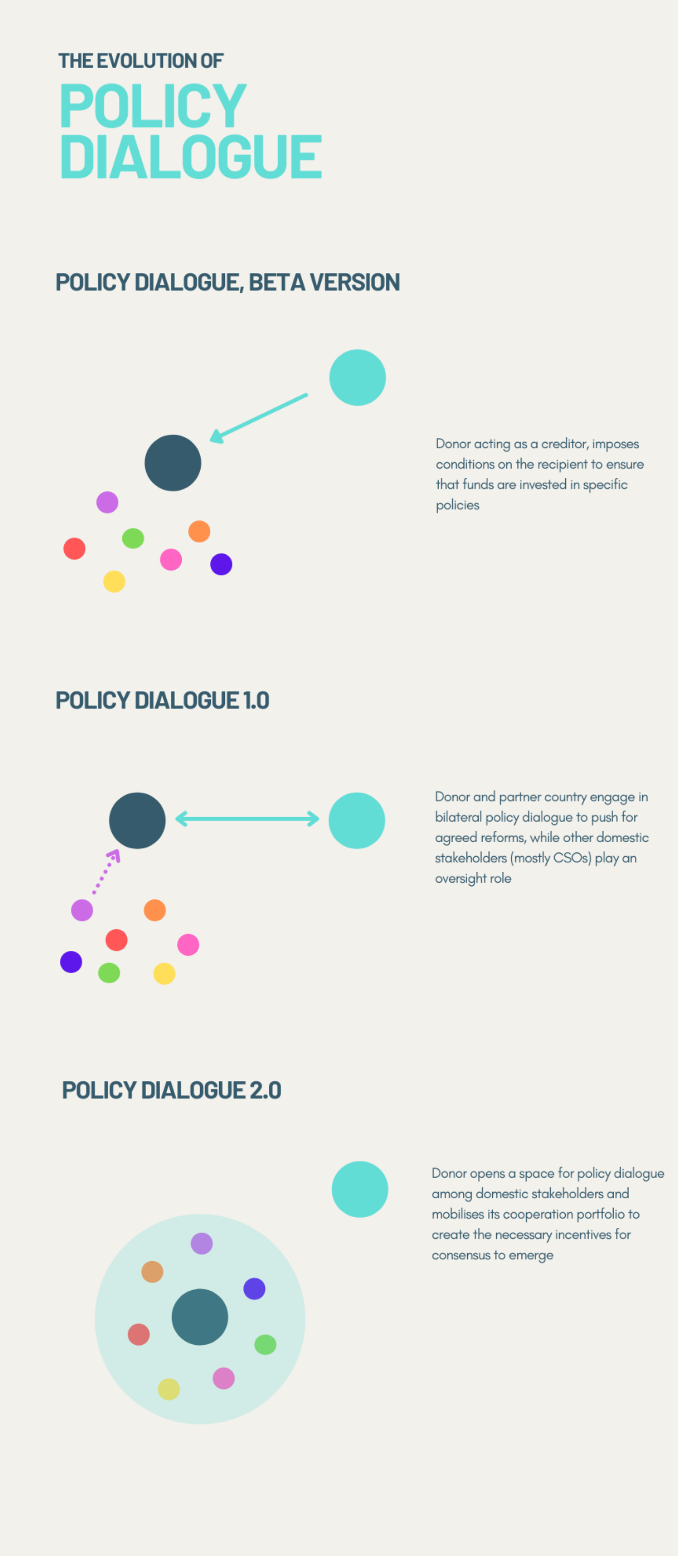
37 "Trust in International Cooperation: International Security Institutions, Domestic Politics and American Multilateralism", Brian C. Rathbun, Cambridge University Press, December 2011.

38 "Evaluation of the market systems development approach, lessons from expanded use and adaptive management at SIDA" Tim Ruffer, Helen Bailey, Stefan Dahlgren, Patrick Spaven and Mark Winters, Stockholm, December 2018.

39 "Building Trust: How the development community can engage the private sector", Janet Longmore, OECD Development Matters, September 2018.

not only by acknowledging that the SDGs cannot be achieved without multi-stakeholder cooperation, but also by laying the foundations for collaboration between disparate actors with different objectives, ways of working and values. The CEO of a private corporation will not look at things in the same way as the director of an NGO or a high-level official in a government ministry, but their different perspectives do not necessarily need to clash or enter into conflict. On the contrary, complementarities can be found through dialogue and collaborative action, modalities that rely on trust. And this is where donors like the EU or its Member States have a very important role to play, as they can use their leverage and incentives to open spaces for dialogue in which different stakeholders can work together to overcome their differences and progressively give shape to national agendas that can trigger or promote sustainable development.

It is within this framework –the blurring of the North and South divide implicit in the SDGs– that donors need to reinvent their ways of delivering aid by turning their support into a catalyser for domestically owned agendas for reform. This is where the "policy first" principle comes into play, as it acknowledges the crucial role of policy in shaping development options. By combining the technical and the political, policy serves as a middle ground where otherwise confronted actors can jointly assess and discuss different choices, basing their deliberations on concrete evidence instead of prejudice or just ideology. As discussed above, the ensuing promotion of evidence-based policy making can trigger a virtuous cycle of transparency, empowerment and accountability that can progressively reshape the political landscape and stakeholder attitudes in many countries, contributing to the development of deliberative mechanisms that can usefully complement and complete political systems built on the tenets of electoral democracy.



Furthermore, the opening of spaces for dialogue can contribute to the translation of the Agenda 2030 into domestic policies, one of the key challenges stemming from the 17 SDGs and 186 corresponding targets that have resulted from a global policy process of intense bargaining and prioritisation. But in order to succeed, development agendas need to fit into the political reality of the countries that they seek to support. It is not for bad luck that many Performance Measurement Frameworks drawn with the assistance of multilateral donors –and often under their pressure– end up becoming both illusory and elusive. This mismatch between planning and reality may be due in part to the feeble state capacity of the aid recipient, but also stems from the donor's failure in generating enough pockets of ownership among the wide range of actors that would be affected, whether positively or negatively, by the change in the status quo.

Whether it is described as the result of rational self-interest –as economists tend to do– or as a matter of reciprocal altruism –as evolutionary psychologists have proved–, trust can only be built by getting to know each other better and adjusting our expectations to meet others' interests, realities and capacities. This usually takes time, but not only; it also requires the actors involved to overcome their prejudices and heal any past grievances. Often this is the hardest part, to get people to sit down and talk, which is where donors can make use of the underlying conditionality that implicitly upholds their policy dialogues and pushes the stronger player –usually the government– to engage in dialogue with the other key stakeholders in a given policy field.

Talking openly about using donor leverage may not be politically correct, but it would be dangerously naïve to overlook this basic element of any "development partnership", which as any other contractual relation entails obligations, expectations, interests and trade-offs. Remaining fully aware of this fact is crucial in a moment in which new donors such as China or the Gulf monarchies are stepping into the ring with their own methods, strategies and rules of the game. The emergence of these new players has brought to light a traditionally overlooked characteristic of conditionality: that it is neither good nor bad in itself, but rather depends on the fairness of the conditions that are being agreed and the balance of power between both sides. For instance, after decades of advocacy among the Western donor community about the need to abandon "tied aid" –official grants or loans that limit procurement options for aid recipients to companies in the donor country or in a small group of countries[40]– this practice has been reinstated by the "emerging" donors who, as in the case of China, do not attach any transparency or good governance requirements to their loans, a strategy that ensures the immediate buy-in of governments that want to access cash without having to answer uncomfortable questions. Unsurprisingly, China's proclaimed adherence to non-interference goes hand in hand with opaque and "hidden" lending practices that escape citizen control and are rapidly resulting in unsustainable levels of public debt in many development countries, a situation that will most certainly end up affecting negatively the welfare of these countries' populations.[41]

From this new perspective, *fair conditionality* can be seen as a matter of mutual responsibility, as a means of ensuring that the incumbent governments remain accountable to their constituents. So, beyond the simplistic game of the "carrot" and the "stick", conditionality is crucial for the kind of soft power that the EU exerts in its external relations, which can translate into five key roles for EU Delegations and Member States that want to support more inclusive and participatory forms of policy dialogue in their partner countries:

40 "Untying Aid: Is it working? An Evaluation of the Implementation of the Paris Declaration and of the 2001 DAC Recommendation of Untying ODA to the LDCs", Edward J. Clay, Matthew Geddes and Luisa Natali, OCDE, Copenhagen, December 2009.

41 "China's overseas lending" Sebastian Horn, Carmen Reinhart and Chistoph Trebesch, Kiel Working Paper nº 2132, Kiel Institute for the World Economy, June 2019.

Five Key Roles for EU Delegations and Member States

1. **Opening the space for dialogue by making use of their convening power**, a very valuable asset in polarised political environments, where opposed factions are reluctant to meet and interact constructively. However, for the sake of local ownership, donors should refrain from moderating or facilitating the dialogue by themselves, instead delegating those tasks to a local actor –an NGO, a think-tank or a similar non-governmental entity– that is perceived in the policy arena as an honest and impartial broker.

2. **Building incentives through other projects and programmes.** For stakeholders to engage in dialogue there needs to be some sort of motivation, something to justify reconsidering their entrenched positions and changing their views on a given issue. Every move in the policy field comes at a risk, as it may alienate former supporters or raise expectations that will not be fulfilled. On the other hand, embarking upon dialogue can also boost the political capital of the different parties, as they become recognised as relevant and legitimate players in the policy field. In both cases the challenge is the same: to create win-win situations or compensate those who are likely to lose out –or fear to lose out– if reforms are to take place.

3. **Providing the weakest stakeholders with access to decision makers.** One of the most acute needs of many civil society organisations and social actors is to access the spheres in which political decisions are being taken. The feeling of frustration that results from not being invited to the table often makes civil society stakeholders adopt an adversarial approach that fails to grasp the complexity and intricacies of decision-making. This blaming and shaming approach puts officials and politicians on the defensive, thereby further diminishing the chances of advocacy through dialogue. Tearing down that invisible wall by providing access to the so-called "corridors of power" makes activists realise that the reality behind the scenes is not that glamorous after all and that those who are supposed to be the most powerful players are also constrained by all sorts of pressures and constraints intrinsic to the political decision-making process.

4. **Promoting a just adoption of international standards.** No policy stands alone, not only internally –as all domestic policies are somehow interrelated– but also "externally", especially in a globalised economy where the level of interdependency between states, not to speak of the global challenges, is blurring their respective spheres of competence. Against this backdrop, the alignment of domestic policies with international standards is a double-edged sword, as it can certainly improve their effectiveness and efficiency but usually does so as a result of a top-down approach that limits local stakeholders' choice over the path of reforms. This is why international norms need to be adopted or transposed not only through democratic institutions –in most countries parliaments are in charge of ratifying international conventions– but also through multi-stakeholder policy dialogues whose participants assess the feasibility of the ensuing reforms within the policy context in which they will eventually be implemented. Failing to do so contributes to the feeling of powerlessness of many citizens against decisions that are being taken abroad and, more importantly, jeopardises the effectiveness of any policy reform, however well-intentioned it may be, by imposing ready-made solutions that seldom yield sustainable positive results. Even worse, such a top-down and donor-driven approach may provide citizens with rights on paper that can neither be protected nor enforced by their governments, thereby further increasing the pre-existing dissatisfaction with government performance.

5. **Bringing in relevant experiences and good practices to enrich deliberation.** Policy making is almost always uncertain and often feels like venturing into unknown territory. Therefore, one of the most appreciated means of support for policy-makers across the world is to get direct access to similar experiences in other countries so as to learn, compare and adapt those aspects that may fit into their own institutional and cultural context. The EU is very familiar with the use of peer to peer exchange mechanisms, although it usually frames them within processes of "institution building" or "technical assistance" instead of embedding them into policy dialogue, a linkage that would increase their relevance and most likely their impact too.

By proactively adopting these different but strongly complementary roles, the EU and its Member States would not only improve the quality of their policy dialogue with partner countries in line with the principles described in this paper. They would also be gathering the kind of in-depth knowledge about the policy landscape that they need for a more realistic formulation of projects and programmes, while strengthening civil society's capacity to contribute proactively to national development policies and sector reforms. Even more importantly, they would ensure that what could be called the "heavy artillery" of development aid –which usually takes the form of instruments such as Budget Support or Innovative Financing– is clearly aimed towards policy priorities that enjoy a broad base of support. In other words, civil society engagement in policy dialogue is not only a matter of ensuring that these funds are efficiently spent in transparent and accountable ways, but also that their design and implementation factors in the needs and concerns of the most vulnerable populations.

To achieve all this, policy dialogue needs to be better structured and systematised. The EU development system cannot pretend that its staff will automatically understand and fully grasp the intricacies of policy dialogue without providing them with a clear and comprehensive framework, instead of *ad hoc* guidance and occasional instructions, as is currently the case. Considering that policy dialogue has been around for quite a while and that it has become instrumental not only for EU development policy but for its external action as a whole, it is time to better define its modalities and clearly delineate its contours. Only then will the EU Delegations be able to seize the opportunities provided by the "policy first" principle, which can either become a true game changer for development cooperation, or just another one of its many buzzwords.

INSPIRED	Country	Year	Policy Area	Dialogue Host
	Tunisia	2012 - 2014	Socio-economic equality	Centre des Etudes Méditerranéennes et Internationales (CEMI)
	Morocco	2012 - 2014	Youth Involvement in regionalisation Policy	Organisation Marocaine des Droits de l'Homme (OMDH)
	Kyrgyzstan	2012 - 2014	Minority languages in broadcasting	Institute of Constitutional Policy (ICP)
	Ghana	2012 - 2014	Women's participation in political life	The Institute of Economic Affairs (IEA)
	Moldova	2012 - 2014	Implementation of the EU-Moldova Association Agreement	East Europe Foundation (EEF)
	Myanmar	2016 - 2018	Drug health policy & land rights	Loka Ahlinn
	Armenia	2017 - 2019	Women's labour rights	OxYGen Foundation
	Bolivia	2017 - 2019	Social security reform	Union Nacional de Instituciones para el Trabajo de Acción Social (UNITAS)
	Cape Verde	2017 - 2019	Domestic workers' labour rights	Associação Cabo-verdiana de Luta Contra a Violência Baseada no Género (ACLCVBG)
	Georgia	2017 - 2019	Labour mediation	Human Rights Education and Monitoring Center (EMC)
	Kyrgyzstan	2017 - 2019	Labour rights of people with disabilities	Centre for Policy Initiatives (CPI)
	Mongolia	2017 - 2019	Economic rights of people with disabilities	Tegsh Niigem
	Pakistan	2017 - 2019	Socio-economic rights of women working in agriculture	Aurat Foundation
	Paraguay	2017 - 2019	Femicide	Decidamos
	Philippines	2017 - 2019	Land rights and resources tenure	Asian NGO Coalition (ANGOC)

	EU Level	2017 - 2019	European democracy support	EPD
	EU Level	2019 - 2020	Transparency of online advertising	EPD
	Paraguay	2018 - 2021	Social rights of children	Coordinadora por los Derechos de la Infancia y la Adolescencia (CDIA)
	Kyrgyzstan	2019 - 2021	Media development & regulation	EPD
	Cape Verde	2020 - 2022	Gender-based violence	Associação Cabo-verdiana de Luta Contra a Violência Baseada no Género (ACLCVBG)
	Morocco	2021 - 2023	Anti-corruption & transparency	EPD

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