

## Listening to Leaders 2018

Is development cooperation  
tuned-in or tone-deaf?

### EXECUTIVE SUMMARY

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## Executive Summary:

What do leaders and citizens think are the most important problems for their countries to solve? What blockers and enablers to progress do they face in galvanizing support for reforms? How do they assess the contributions of the international donors with which they work? Rather than relying on arms-length expert analysis, we go to the source: government officials, civil society leaders, and private sector representatives from 126 low- and middle-income countries.

Nearly 3,500 leaders who held relevant positions of responsibility during the period of 2010-2015 shared their views via AidData's *2017 Listening to Leaders Survey* (LTLS). Their responses provide invaluable insights into how these leaders enumerate their priorities, assess the difficulty or ease of getting traction for reforms in their countries, and rate their experiences working with a range of external partners.

### Priorities: Do leaders, citizens and donors agree on the most important problems to solve?

We asked leaders to share their insights on the following question: *"Based upon your experience, what are the most important issues for advancing [your country's] development?"* Comparing the 2017 LTLS with the United Nations *MY World 2015 Survey*, we examine whether citizens and leaders diverge in their top priorities. Finally, we contrast their responses with the revealed priorities of donors in how they allocate their official development assistance (ODA) using historical aid flows for 2000-2013 mapped to the sustainable development goals (SDGs). This analysis does not tell us *how* these priorities were determined, but focuses on whether donors, leaders, and citizens are *aligned* in what they say the priorities should be.

#### **Finding #1. Leaders emphasize education, jobs, and strong institutions, but turn a deaf ear to climate change and other environmental goals**

Over sixty percent of leaders highlight education, jobs, and institutions as top priority areas for their countries to tackle. Despite considerable international attention in recent years, individual environmental issues related to climate action, life on land, life below water, and responsible consumption and production fall to the bottom of most leaders' development priorities. One possible explanation: leaders are loath to tackle issues that require large upfront costs in exchange for uncertain future benefits.

#### **Finding #2. Poor and less democratic countries are more concerned about ensuring access to basic public services — health, water, food, and energy**

Leaders in low-income countries emphasize issues related to the most basic needs of their population — health, food, water, and energy. Comparatively, their wealthier peers pay attention to higher order issues of inequality and sustainable cities. This divergence on the basis of a country's wealth may point to one of two things: leaders in poor countries may triage their priorities to address basic goods as an essential first building block, or their priorities could reflect pressure from a restive populace. There is a similar bifurcation between non-democracies and democracies, where the former emphasizes access to basic services (e.g., food, healthcare) and the latter places greater weight on inequality and sustainable cities.

#### **Finding #3. Leaders and citizens diverge most over whether to put their faith in industry or emphasize food security and the health of their cities**

Leaders view industry and environmental concerns as higher priorities than do their citizens, perhaps identifying these issues as consequential to spur growth sustainably. By contrast, citizens are much more concerned with food security — one of their top five priorities — than their leaders who rated this among the least important issues to address. Citizens also prioritize the health of their cities, perhaps reflecting their more intimate exposure to the pressures of urbanization, to a greater degree than their leaders.

Leaders and citizens from sub-Saharan Africa (the poorest region) are most closely aligned in their development priorities. Conversely, in Latin America and the Caribbean (the most unequal region) there is greater divergence between what leaders and citizens consider to be top priorities. The interest of East Asia and Pacific leaders in climate change is noteworthy, as they are quite far ahead of their citizens on this issue.

#### **Finding #4. International donors are in step with national leaders in their commitment to strong institutions, but may be underinvesting in jobs and schools**

Donors have largely channeled their aid dollars in areas that are also prioritized by leaders and citizens. This is particularly evident with regard to goals on strong institutions and good health — uniformly top priorities for all three groups. While not highly valued by citizens, international donors share a common interest in promoting industry. Donors and citizens see more eye to eye on the importance of sustainable cities.

International donors have two blindspots: they may be underinvesting in jobs and schools relative to demand from both citizens and leaders, who consistently put these at the top of the list. Meanwhile, life below water and responsible consumption and production are dimly viewed by all parties, as neither goal registers in anyone's top priorities.

## Progress: Whose support and what conditions make leaders more or less optimistic about the progress of their reforms?

We asked leaders to share their insights on the following question: *"On the whole, how much progress did [the primary policy initiative on which you worked] make towards solving the most important problem you identified?"* Respondents could evaluate the progress that had been made on a scale of 1 ("no progress at all") through 4 ("a great deal of progress"). We then asked them subsequent questions about the degree to which various domestic constituencies were supportive of, or in opposition to, their initiative.

### **Finding #5. Leaders are generally favorable about reform prospects in their countries, regardless of policy focus**

Leaders were remarkably consistent in their perceptions, reporting that they had made at least a "fair amount of progress" in advancing reforms in all but one sector. Respondents working in urban development were slightly more pessimistic than their peers, saying their reforms had achieved only "a little" progress. Transportation also stands out as a positive outlier: respondents reported particularly high levels of progress in this policy area. Overall, it does not appear to be the case that a leader's policy area or sector affects their perceptions of reform progress. Notably, this finding contradicts the conventional wisdom that reforms encounter greater resistance where vested interests can more easily extract rents (e.g., governance, infrastructure, economic policy).

### **Finding #6. Government officials wear "rose-colored glasses" and are more optimistic than other domestic stakeholders about their reform progress**

The number of government officials reporting a "great deal" of progress on their reforms outweighs those reporting only "a little." Controlling for other respondent-level factors such as sex and education that may influence their views, we find that government stakeholders consistently have rosier perceptions of progress than those who work outside of the public sector. It is possible that they really are seeing more

progress, either through privileged access to key decision-makers whose support is essential for reforms or reliable intelligence on whether a policy is gaining traction with these actors. A less sanguine view is that government officials have intrinsic and extrinsic incentives to inflate progress.

### **Finding #7. Leaders report making more progress when central and local government actors support reforms**

Leaders whose policy initiatives enjoy the support of the executive and legislative branches at central and local levels (government ministries, head of state, parliament, local government) were more likely to report reform progress than those that did not. The support of other government institutions like the judiciary and military matter less to progress. That said, the predicted probability of a leader reporting "a great deal of progress" increases with each additional constituency group that tips into the pro-reform camp. It appears that breadth of support for reform, as well as the endorsement of certain government groups, is not only important to those who seek to influence the substance of those reforms, but also to the likelihood that those efforts will succeed.

### **Finding#8. Leaders perceptions coincide with how their country performs on objective metrics of government effectiveness and control of corruption**

Leaders who live in countries that rate higher on measures of government effectiveness and control of corruption are more likely to report at least some reform progress than their peers. This finding makes good intuitive sense: countries that promote high levels of professionalism among its civil servants and employ checks and balances to constrain their abilities to extract rents remove common impediments to reforms arising from incompetence (i.e., lack of capacity) or vested interests (i.e., lack of political will).

## Partners: Which international donors do leaders see as their preferred development partners?

In this study, we use two demand-side measures of development partner performance: *influence* in shaping policy priorities, and *helpfulness* in implementing policy initiatives or reforms. Leaders rated the influence and helpfulness of the institutions they had worked with, from a fixed list of 43 multilateral and bilateral donors, on a scale of 1 (not at all influential / not at all helpful) to 4 (very influential / very helpful). In this analysis, we only include a donor if they were rated by at least 30 respondents.

**Finding #9. Donors get a familiarity boost: multilaterals and large DAC bilaterals that work with more people corner the market in influence and helpfulness**

Large multilaterals (e.g., the EU, the World Bank, UNICEF, and the IMF) and Development Assistance Committee (DAC) bilaterals (e.g., the US and the UK) cast a wide net in terms of who they work with, but this breadth of focus does not appear to diminish their perceived influence and helpfulness. In fact, we find a positive correlation between the supply-side number of respondents that report working with a given donor and demand-side perceptions of its influence and helpfulness among leaders. Notably, most of these donors are also big spenders, which we find is positively associated with performance.

**Finding #10. The World Bank and United States perform consistently well across geographic areas, but other donors garner high praise in specific focus regions**

The stature of the World Bank and the United States is particularly consistent — they are among the top donors regardless of region. Specialized multilaterals emerge as respected regional players earning high performance scores among their core constituencies (e.g., ADB in South Asia, IDB in Latin America and the Caribbean). Bilateral players also have spheres of regional comparative advantage. This dynamic is most certainly in play for the UK in South Asia and sub-Saharan Africa, Australia in EAP, and Spain in LAC.

**Finding #11. Donors that lag behind on average can still carve out pockets of comparative advantage in their focus sectors**

In several instances, donors that lag behind their peers on influence and helpfulness jump ahead with leaders working in specific sectors. France and Sweden get much higher marks on influence with policymakers working on governance issues. Japan is viewed as uniquely helpful to leaders in the environment sector. The International Fund for Agricultural Development (IFAD) gets a boost from its core constituency of leaders in the rural development sector who view it as among the more influential and helpful donors. Of course, even leading donors have pockets of relative weakness. The performance of the US in the economic sector and UNICEF in the governance sector lags behind their high marks in other areas.

**Finding #12. China and India are gaining ground over time in influence vis-a-vis more established peers**

Non-DAC bilaterals, such as China and India, are clearly gaining stature in the eyes of those with whom they work with in low- and middle-income countries. Between 2014 and 2017, China leap-frogged 8 of its peers in overall influence, moving from 29th place (out

of 33) in 2014 to 21st (out of 35) in 2017. This rise in influence catapults China into the middle quintile of donors — the only non-Western country to accomplish this feat. In doing so, China nudged out both Japan (ranked 23rd) and India (ranked 24th). Yet, India's influence is also ascendant, jumping seven spots from 2014, and it outperforms China in helpfulness.

**Finding #13. GAVI, the Global Fund, the IMF, IDB, UNICEF, and UNDP punch above their weight, earning high marks despite relatively modest budgets**

Donors such as UNICEF, UNDP, GAVI, the Global Fund, IDB, and the IMF are particularly adept in converting relatively modest means (each gave less than US\$15 billion in ODA to those countries included in the survey) into outsized influence. At the opposite end of the spectrum, Japan, Germany, and France lag behind in perceived influence, in spite of fairly sizable financial contributions (each gave more than US\$52 billion in assistance). When it comes to helpfulness in implementation, we see a similar picture. GAVI, the IMF, and UNICEF outperform donors with deeper pockets and capture the highest helpfulness scores despite very modest financial contributions.

## Performance: Why are some donors viewed more favorably than others?

We answer this question in two ways: (1) analyzing what leaders have to say about those partners they found most (and least) influential and helpful; and (2) examining patterns in the data to pinpoint the attributes of donors and countries that serve as the most reliable predictors of performance.

**Finding #14. They not only bring resources to the table, but these donors actively they engage with their counterparts and align with national strategies**

When asked why they perceived certain donors to be influential or helpful, access to resources (both financial and human) was clearly top of mind for survey respondents, as was alignment with their national development strategy. Leaders give high marks to donors who put “skin in the game” through the hard work of providing high-quality advice or assistance, working closely with government counterparts, and participating in policy or programmatic discussions.

**Finding #15: Countries that have more say over how foreign aid is deployed within their borders generally give their development partners higher marks in influence**

Leaders from countries with more programmable aid as a percentage of their overall official development

assistance envelope view donors as more influential, on average. This gives ammunition to donors seeking to justify the importance of preserving the flexibility for countries receiving assistance to determine how they will use it to further their goals, rather than dictating terms. It is likely that back-sliding on commitments to increase the share of country programmable aid could ultimately hurt, rather than help, donors on influence in the eyes of their in-country counterparts.

**Finding #16. Donors are perceived more favorably when their priorities are aligned with the problems national leaders say are most important for their country to solve**

The extent to which an international donor's aid allocations diverge from what national leaders identified as the most important problems for their country to solve was negatively associated with a donor's perceived influence and helpfulness. Getting on the same page with national leaders is not only a good idea in principle, but also a boon to a donor's perceived performance in practice.

**Finding #17. In adhering to conventional best practices to untie aid, donors may inadvertently cede ground in perceived influence and helpfulness**

Donors with a greater share of untied aid as percentage of their overall ODA spending are viewed as less influential and helpful than those with lower shares of untied aid. This finding presents donors with something of a dilemma. On the one hand, there are principled reasons of efficiency, effectiveness, and country ownership to untie aid. But in doing so, development partners may actually lose, rather than gain, stature with their counterparts in low- and middle-income countries.

**Finding #18. In an age where many development problems are multifaceted, donors that focus narrowly on a few sectors have less influence**

Contrary to what we might expect, more specialized donors have less influence, on average, than those that with broader interests across multiple sectors. By virtue of their unwavering focus, sector specialized donors may be at a disadvantage. One possible explanation is that leaders view the most intractable problems left to solve in their countries as multidimensional in nature.

Survey respondents may put a premium on the ability of donors to support them with integrated solutions that are similarly cross-disciplinary.

## **Conclusion:** How can development cooperation evolve to support locally-led action?

Our analysis of leaders' priorities, progress, and perceptions of international donors gives rise to two final recommendations for the future.

**Recommendation #1. Donors should double down on their assistance in areas where citizen, leader, and donor priorities converge, as they are the most promising areas to get traction for reform.**

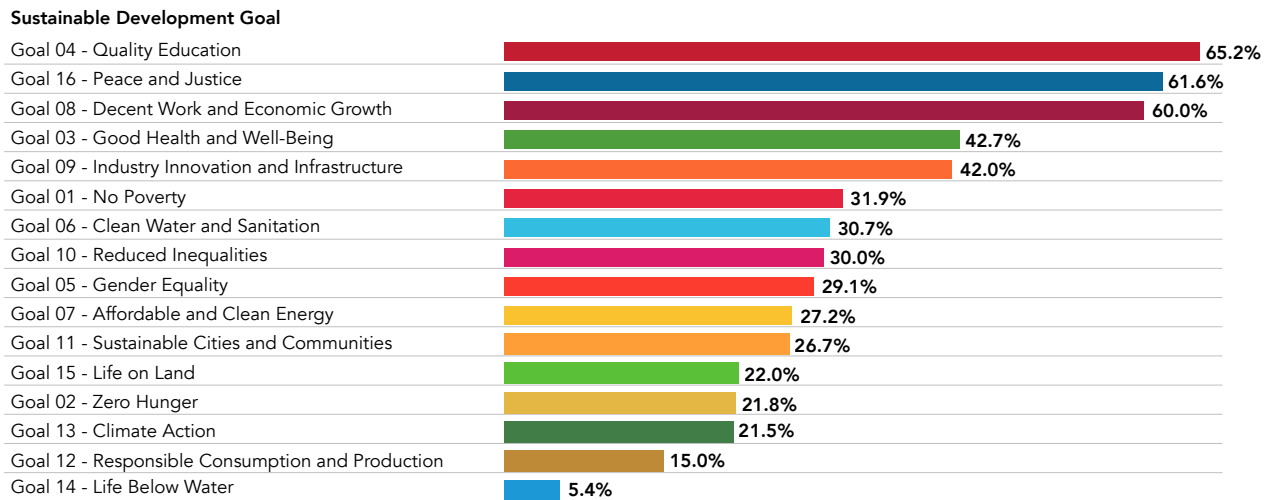
These sweet spots represent issues that are of high salience to a broad cross-section of people and create a groundswell of support that — with the right mix of political, technical, and financial resources — policymakers can use to push forward reforms. When citizens, leaders, and donors have diverging priorities, international actors may still have a role to play in facilitating dialogue, raising awareness, and engaging in advocacy to change norms. However, this may require donors to employ different tools such as community organizing, public diplomacy, and norm diffusion to succeed.

**Recommendation #2. Donors should actively engage in domestic policy discussions, work closely with government counterparts, and help them mobilize broader support for reform.**

Survey respondents reportedly want donors more, not less, engaged in the messy business of existing policy or programmatic discussions where priorities are adjudicated and decisions made. Moreover, leaders want their development partners working more closely with host government officials, as well as helping to build support for reform across the public, private, and civil society sectors. If international donors are to effectively meet this revealed demand they may have to make fundamental changes in how they recruit staff, assess performance and recalibrate incentives towards acquiring and cultivating this political acumen.

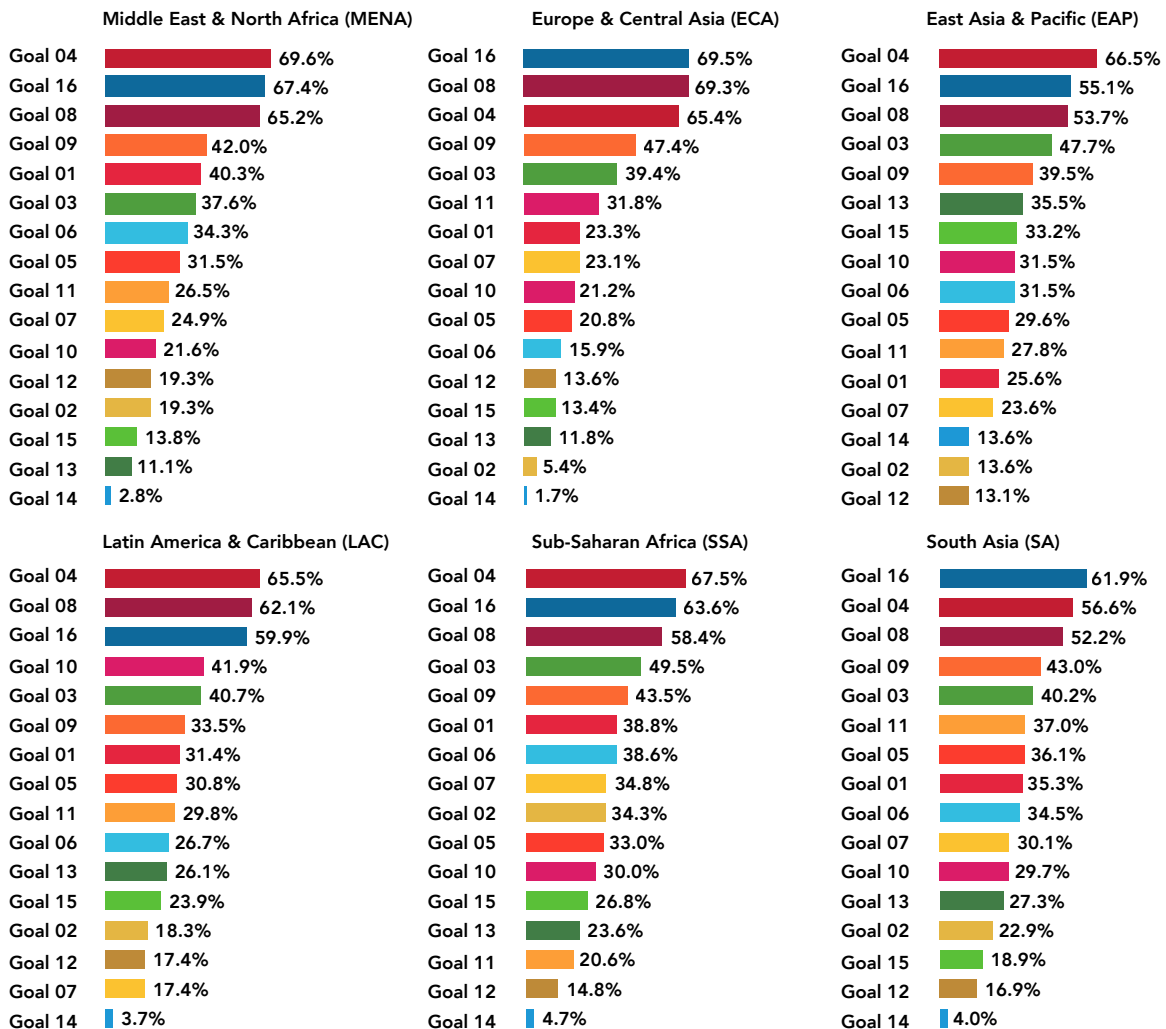
# How frequently does a global goal appear in leaders' top priorities?

Percentage of respondents who identified a goal as one of their top six priorities.



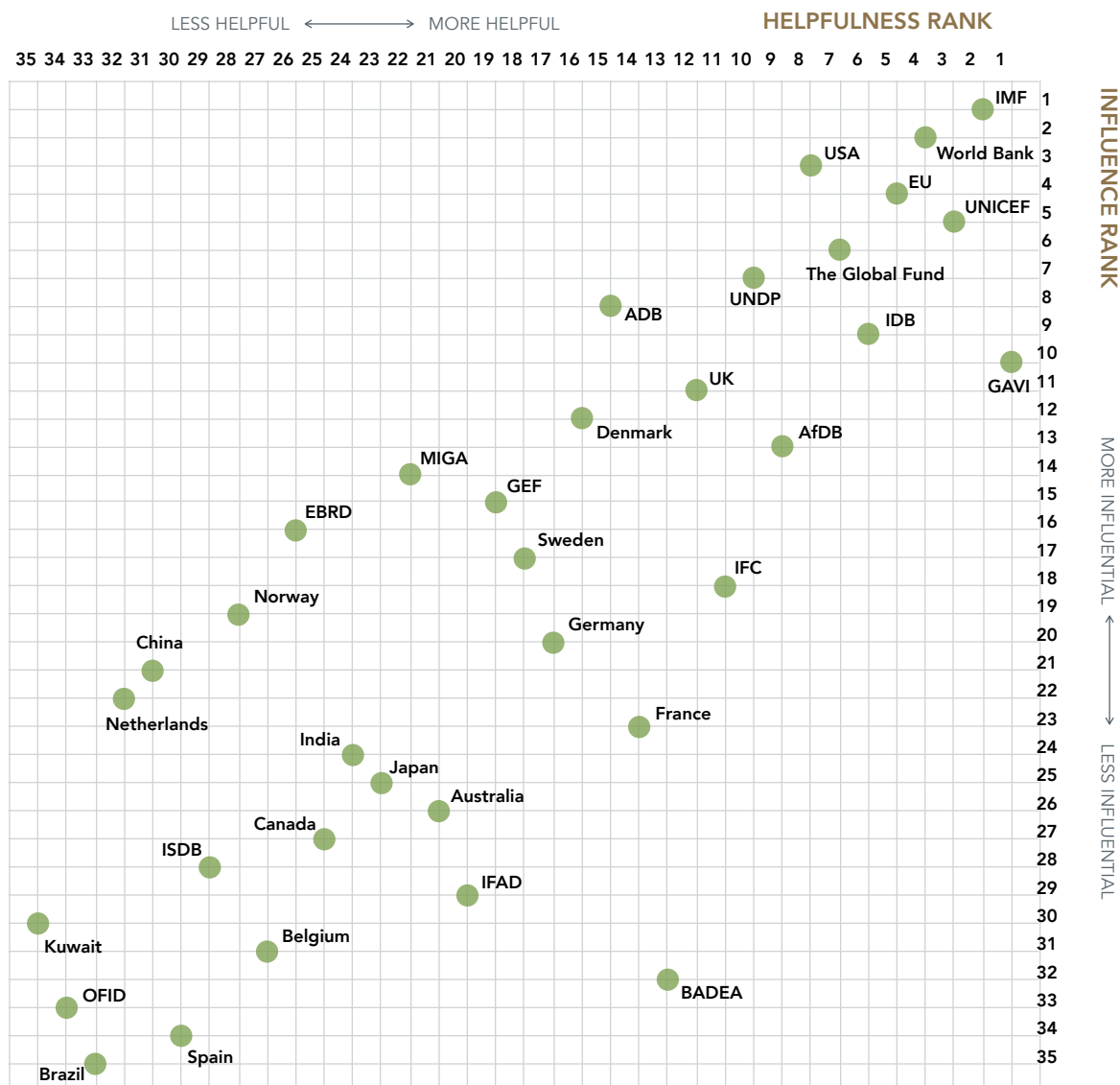
## Priorities by region

Percentage of respondents who identified a goal as one of their top six priorities.



# Ranking development partners' perceived helpfulness and influence

Rankings are based on the percentage of responses evaluating a given partner which rated that partner as "quite helpful" or "very helpful" (x-axis) and "quite influential" or "very influential" (y-axis).



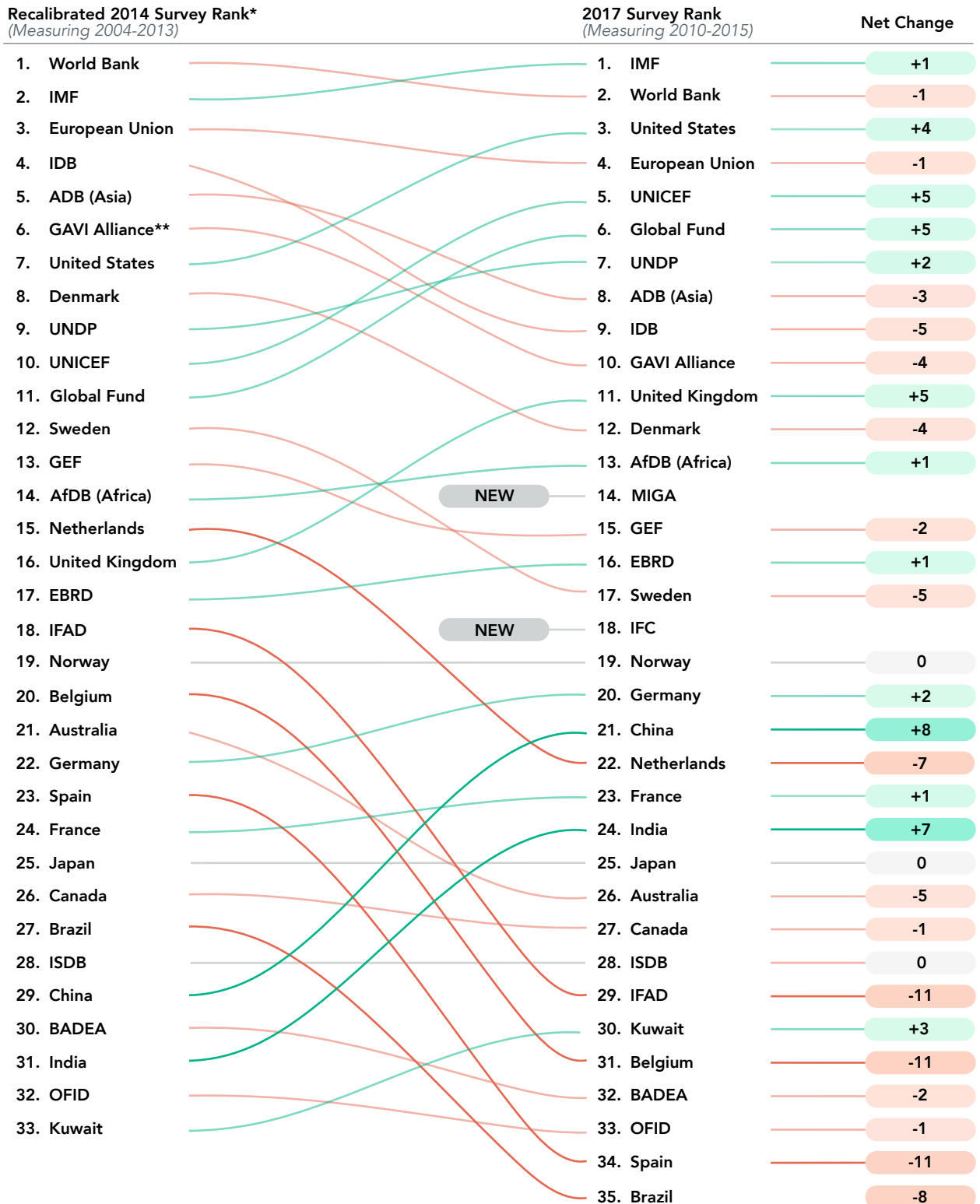
Most Helpful Partners	%
1. Global Alliance for Vaccines and Immunization (GAVI)	85.4%
2. International Monetary Fund (IMF)	85.1%
3. United Nations Children's Fund (UNICEF)	83.9%
4. World Bank	83.7%
5. European Union	82.9%
6. Inter-American Development Bank (IDB)	82.8%
7. Global Fund to Fight AIDS, Tuberculosis and Malaria	82.5%
8. United States	81.1%
9. African Development Bank (AfDB)	78.6%
10. United Nations Development Program (UNDP)	77.7%

Most Influential Partners	%
1. International Monetary Fund (IMF)	85.8%
2. World Bank	81.5%
3. United States	80.4%
4. European Union	80.2%
5. United Nations Children's Fund (UNICEF)	75.3%
6. Global Fund to Fight AIDS, Tuberculosis and Malaria	74.6%
7. United Nations Development Program (UNDP)	73.4%
8. Asian Development Bank (ADB)	72.8%
9. Inter-American Development Bank (IDB)	72.6%
10. Global Alliance for Vaccines and Immunization (GAVI)	72.5%



# Change in perceived influence of development partners

Partners are ranked below from more to less influential, according to their scores in AidData surveys in 2014 and 2017. Only partners with at least 30 responses each for both helpfulness and influence in 2017 are listed.



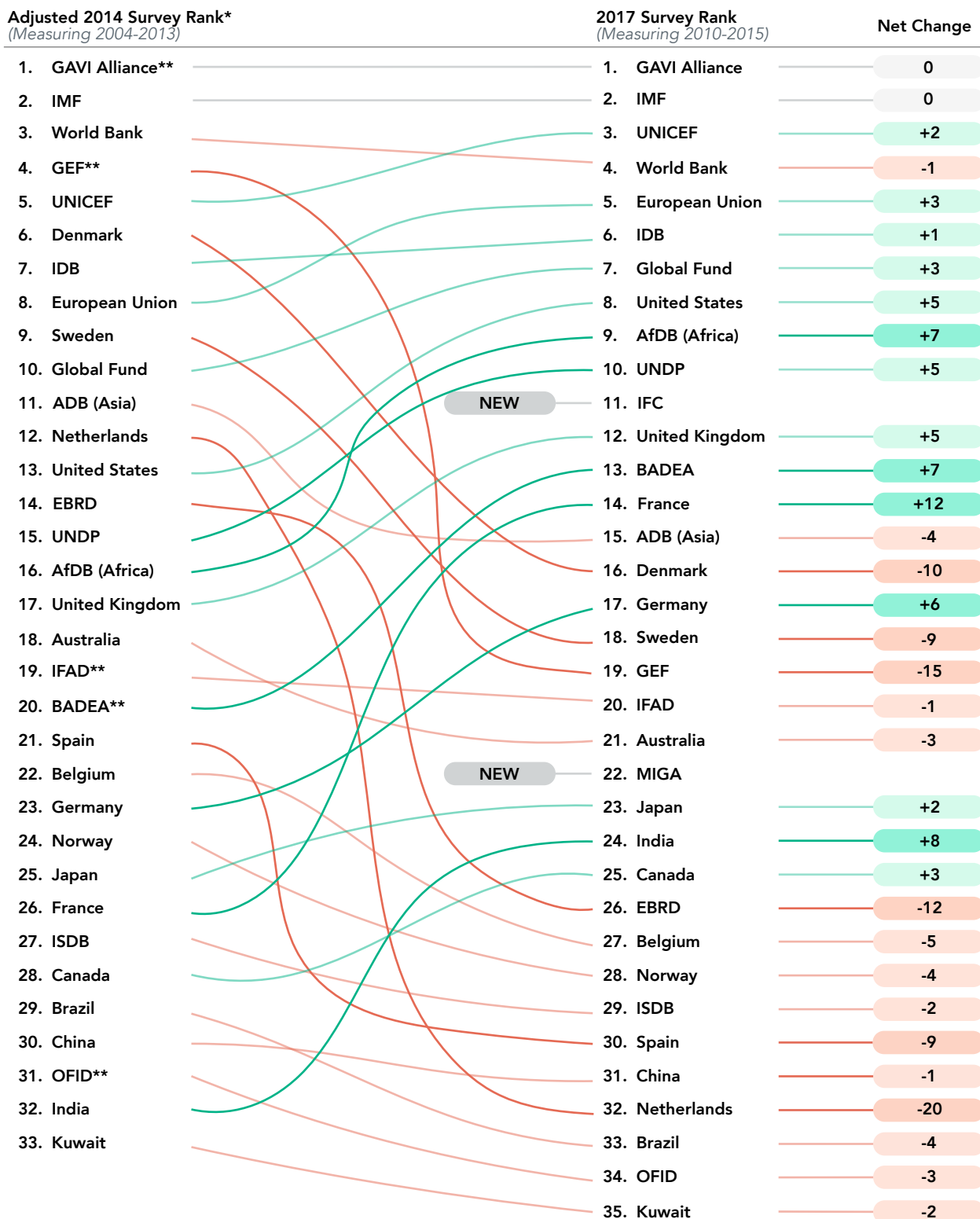
Notes:  
 \* 2017 rankings are based on the percentage of responses evaluating a given partner which rated that partner as "quite influential" or "very influential" in the 2017 LTLS. In the 2014 Reform Efforts Survey, respondents were asked to score a development partner's influence from 0-5, where 0 meant "not influential at all" and 5 meant "maximum influence." To harmonize scales for comparison across years, 2014 rankings were re-calibrated by rescaling the average score for each partner to range between 0 and 1 and by removing country weights.

\*\* n<30. In 2014, the minimum threshold of responses was 10. Partners are listed here if in 2017, the number of responses rating them for helpfulness and influence is at least 30 each.



# Change in perceived helpfulness of development partners

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## About AidData

AidData is a research lab at the College of William & Mary. We equip policymakers and practitioners with better evidence to improve how sustainable development investments are targeted, monitored, and evaluated. We use rigorous methods, cutting-edge tools and granular data to answer the question: who is doing what, where, for whom, and to what effect?

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