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# Delivering Participatory Development through Foreign Aid Contracts

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## **Abstract**

### **Delivering Participatory Development through Foreign Aid Contracts**

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Foreign aid donors deliver project assistance through top-down, highly controlled, bureaucratic systems. Yet, they discuss their work as employing participatory approaches in which the beneficiaries of aid projects are delegated decision-making power over project activity selection and design. This dissertation explores whether and how donors delegate decision-making power to project beneficiaries using contract specifications, including the extent to which this delegation occurs, the variation in specifications for beneficiary decision-making, the conditions under which the delegation occurs, and how contractors respond to the specifications during project implementation.

I find that 72% of foreign aid contracts implemented by the U.S. Agency for International Development (USAID) delegate decision-making power, though they never delegate full control over goal setting. Most often, contracts delegate more moderate degrees of decision-making power such as consultation and solicitations of activity ideas within a set of parameters. I find

that there are two types of delegated decision-making power: one that specifies decision-making power for recipient government beneficiaries at moderate levels, using collaborative tools that provide the beneficiary decision-maker with leverage over the final activities chosen. The second kind of decision-making power specifies decision-making power for both non-government and government actors at higher levels of decision-making scope, but using less collaborative tools that provide less leverage over final project activity decisions made.

This delegated decision-making occurs when the problems that projects address are more complex, and when the recipient country government is less democratic. Local level decision-making is likely used in the face of complexity to identify locally appropriate solutions that can be applied as project interventions. USAID has an explicit goal to strengthen democratic processes and democratic institutions around the world, which likely explains why collaborative decision-making processes that are jointly implemented occur more often with recipient governments that are less democratic.

Once decision-making power delegation is specified in the contract, I find that it acts as a floor for decision-making power delegation during implementation in 91% of cases: contractors delegate decision-making power as specified, or more often, than specified. Once beneficiaries provide their decisions about which project activities should be selected and how they should be designed to the contractor, they often influence the project activities selected, though with varying degrees of leverage over decisions based on their ability to block successful project completion. When beneficiaries provide decisions but do not influence project activities, it is typically because there are too many beneficiary decisions to simultaneously accommodate, or due to contract and institutional constraints such as project scope requirements or limited funding. When beneficiaries are not delegated decision-making power, but initiate the sharing of

their preferences for project activities directly, they have influence over project activities to the degree that they hold blocking power to prevent contract success.

Beneficiary participation in decision-making on aid project activities is occurring, but is conditioned by the aid delivery structure and local powerholders. Contract specifications influence beneficiary engagement in decision-making during project implementation, and often serve as a floor for this engagement.

**Keywords:** Foreign Aid, International Development, Participatory Development, Government Contracting, Public Participation

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## PREFACE

In 2012, I was added to a team tasked with recalibrating a South American foreign aid project in crisis. Originally intended to exemplify beneficiary participation, this project included two broad phases: 1) the engagement of multiple villages in community decision-making processes to identify local-level ideas to improve livelihoods (community deliberation), and 2) assistance with implementing the identified solutions (activity implementation). Within two years, the project had organized villages, held community meetings designed to collectively identify needs and propose assistance activities to address them, and worked to generate consensus on problems and solutions. However, the process was taking much longer than expected, and the contract managers representing the donors were anxiously watching the clock tick on the five-year contract.

After a number of failed attempts to expedite the process, the donors took drastic action. They requested removal of the in-country leadership, and an immediate pivot from community deliberation to activity implementation. This change caused significant distress for both in-country team members and the involved community members (the project's intended beneficiaries). I belonged to the transition team assigned to assess and revamp administrative and financial management and project communications, as the interim leadership sought to redirect the project and convince the communities, mid-process, to buy in to a new approach. As a result of this shift in priorities from consensus to expediency, the project suddenly became much less participatory.

This abrupt shift in leadership and direction was an extreme example of a project responding to countervailing incentives in aid project implementation. Projects and donors face incentives to engage in participatory approaches to development work, ranging from international agreements, to global trends, to vocal proponents extolling its ability to make aid more effective. However, these approaches require flexibility to delegate decision-making power and manage the timeline—a need that is often at odds with the incentives and constraints embedded in a top-down, highly-controlled foreign aid bureaucracy. In this case, the project placed a high priority on participation at the outset, engaging with beneficiaries to make decisions about project activity selection and design. However, incentives from the aid delivery structure, such as the timely demonstration of results and adherence to pre-established project objectives, reduced the amount of decision-making power allotted to beneficiaries.

The experience illuminated how aid projects are often implemented within a context of countervailing incentives that both promote and limit participation, and that the amount of decision-making power originally intended for beneficiaries may change during project implementation. Upon consideration, I recognized this trend elsewhere. For example, one project intended to promote national progress towards basic education by jointly determining activities with recipient government leadership that complemented existing federal government initiatives. However, the contractor would only consider activities that fit within their contract-specified technical approach to basic education improvement, and was unable to accommodate beneficiary suggestions outside of that scope. As a result, the amount of beneficiary decision-making power decreased from the original intention. Another project mandated specified technical assistance to a government institution to improve their capacity. However, the contractor consulted with the institution's leadership and staff to determine the scope of the needed assistance and identify

additional activities in pursuit of the contract's goals. In this case, the initial amount of decision-making power delegated to the beneficiaries was actually increased during implementation.

The seeds of this dissertation were sewn as the result of years spent working in and studying foreign aid implementation. It identifies how aid agencies and implementing partners can better carry out participatory approaches to development, in the context of an aid delivery structure embedded with incentives that limit participation, by exploring the 'what,' 'how,' and 'why.'

# Chapter 1. PARTICIPATORY DEVELOPMENT AND FOREIGN AID DELIVERY

## 1.1 INTRODUCTION

Large foreign aid donors strive to make their aid more participatory in pursuit of the purported increases to development effectiveness, thereby fulfilling international commitments like the Paris Declaration and the Accra Agenda for Action, and following popular trends in aid implementation like community participation and decentralization (White, 1999; La Chimia et al., 2019; Mansuri et al., 2012; Dabelstein et al., 2013; OECD, 2008). However, these same donors are constrained by a set of countervailing objectives, including political priorities, existing institutions and requirements for policy delivery, and regulations geared towards ensuring high levels of accountability (La Chimia et al., 2019; Lancaster, 1999; Maartens et al., 2002; Gibson et al., 2005; Mosse, 2005; Biggs et al., 2003; Cleaver, 1999; Korten, 1980).

In order to pursue a participatory approach, donors would need to allow for varying degrees of beneficiary decision-making power regarding aid activities—in other words, participatory development. *Participatory development* engages beneficiaries in making decisions about aid project activity design and/or in implementing the selected activities (Atwood, 1993; Mansuri et al., 2013; Cornwall, 2008). However, foreign aid agencies and the contractors who are hired to implement aid projects face bureaucratic incentives that significantly limit the flexibility needed to delegate this decision-making power to project beneficiaries (Maartens et al., 2002; Gibson et al., 2005; Lancaster, 1999; La Chimia et al., 2019). This dissertation examines how aid agencies and contractors delegate decision-making power over aid activity design to beneficiaries within an environment of countervailing incentives, and how this

delegation impacts the activities that a project implements (which activities, how they're implemented, where and with whom).

Throughout the next four chapters, I explore the following research questions, in the context of U.S. bilateral development assistance: to what extent do foreign aid donors use contracts to delegate decision-making power to beneficiaries? What is the nature of this delegation in the contracting process? How do aid agencies and contractors respond to the countervailing incentives that make up the aid delivery structure, and allocate decision-making power to beneficiaries? How does the delegation of decision-making power specified in the project's contract then influence project activity selection and design, as well as beneficiary experiences?

I explore these questions within the context of U.S. bilateral aid delivery. The U.S. is both the largest global development aid donor and the largest bilateral aid donor. (OECD, 2020)<sup>1</sup>. In addition, the U.S. bilateral aid agency, the U.S. Agency for International Development (USAID), is considered a 'difficult case' (Goertz, 2010) for participation, where we would expect to see low levels of decision-making power delegation to beneficiaries. High-level actors within USAID note that when balancing competing goals, the agency prioritizes internal accountability and transparency over other concerns: "USAID is subject to extensive regulation and scrutiny that takes a premium on accountability and measurable results that takes precedence over ... [globally shared] aid effectiveness objectives," (Jin et al. in La Chimia et al., 2019, 343). We would therefore expect to see low levels of delegated decision-making power within USAID projects, or perhaps none at all, despite their global commitments. However, the agency delivers impassioned statements in support of participatory development (Atwood, 1993; Cornielle et al.,

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<sup>1</sup> Bilateral aid is delivered by one country's aid agency(ies), while multilateral aid is delivered via international and intergovernmental organizations.

2004, USAID project websites) and a variety of case-based and anecdotal evidence of its occurrence (USAID project websites, USAID project evaluations).

Given that USAID project funding is delivered through contracts<sup>2</sup>, the contracting process through which USAID implements projects is critical to understanding when beneficiaries might be engaged in making decisions about project activities, yet has not been studied within the context of participatory development. Focusing on the contracting process allows for the analysis to disaggregate participatory development into three steps: if participation is to occur, first, a contract is written in which the delegation of decision-making power of aid project activities to project beneficiaries may be specified. I call these contract specifications for beneficiary decision-making, **allocated delegation**. Second, the contractor responds to the contract specifications and engages beneficiaries in making decisions about which project activities should be implemented and/or the activity design. The implementation of contract specifications for decision-making delegation (allocated delegation) is termed **implemented delegation**, and results in beneficiary decisions about which project activities should be selected and how they should be designed. Third, the contractor makes the final decisions about which project activities to implement, and implements them. When beneficiary decisions influence which activities are implemented, **beneficiary influence** has occurred. At each step, aid agencies and contractors are responding to an environment of countervailing incentives that support and limit participation. They may delegate more or less decision-making power at each step (as compared to the previous one) as they respond to these incentives.

For example, consider the South American project from the preface. The contract specified significant decision-making power delegation to beneficiaries, or **allocated delegation**.

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<sup>2</sup> USAID project funding is delivered through contracts or grants.

The project then engaged with the intended beneficiaries to solicit decisions about which activities to implement and how they should be designed (implemented delegation). The aid delivery system incentivizes delivering rapid results during the contract's period of performance, as well as meeting specified end-of-project targets. These two incentives implicitly established a relatively rapid time frame for beneficiary engagement in participation tools. However, the beneficiaries were unable to reach a consensus and action plan within that time frame. In this sense, institutional incentives prevented the implemented delegation from accomplishing its goal: yielding a set of beneficiary decisions about which project activities to implement. In other words, **implemented delegation** was incomplete. As a result, the contractor then played a stronger role in formalizing the project activities that were then selected for implementation, representing limited **beneficiary influence**.

Most existing literature that explores beneficiary engagement in decision-making activities does not consider three key points: 1) whether the governing contract specified or influenced beneficiary participation or project activities, 2) whether the contractor implemented decision-making activities to create a venue for participation as specified in the contract, or 3) whether and how beneficiary decisions influenced foreign aid project activity selection or design. Identifying patterns within each of these three points may explain the mixed experiences with, and uneven outcomes of, participatory development, and help create strategies to overcome these constraints and implement projects in closer accordance with agencies' intentions for beneficiary participation.

Building on these key concepts, I propose a theoretical framework in Section 5 of this chapter, and empirically test it in subsequent chapters. The framework is composed of testable hypotheses about the relationship between contract specifications for beneficiary engagement in

decision-making (allocated delegation), implementation of these specifications (implemented delegation), and the use of beneficiary decisions in project activity design and specification (beneficiary influence). It also includes hypothesized relationships between the use of beneficiary decisions in activity design and overall development outcomes (along with posited mediating factors). Finally, the theoretical framework allows for predictions about the conditions under which aid agencies delegate decision-making power to beneficiaries through contracts (allocated delegation).

This chapter proceeds with a discussion of participatory development and a summary of the implementation process for bilateral aid. Principal agent theory is used as a key framework for exploring bilateral aid delivery, and other literature is incorporated to better explain how participatory development can be delivered through the long chain of principal-agent relationships. Existing literature is used to describe the incentives that encourage aid agencies to pursue beneficiary participation within the top-down aid delivery structure, and to consider how contracts might incentivize implementation of participation. Finally, the conceptual and theoretical frameworks provide a detailed elaboration of the testable hypotheses that emerge.

## 1.2 LAYING THE GROUNDWORK AND INSTITUTIONAL SETTING

The previous section presented the theoretical puzzle underlying this dissertation project and defined key concepts. This section provides basic conceptual and definitional building blocks for the study, defines participatory development, and grounds the project in principal agent theory, international development literature, and street level bureaucracy.

### 1.2.1 *Building Blocks: Specifying Project Activities with Participation Tools*

As a starting point, it is useful to consider the process to select and define the specific activities that a foreign aid contractor will implement. The donor awards a contract detailing a set of project goals. While the contract specifies how the contractor is to accomplish these goals to varying degrees, some amount of additional specification, selection, and activity design is required before implementation<sup>3</sup>. Then the contractor selects and further designs specific and detailed **project activities** to reach the contract goals. In Step 1, the contractor may delegate decision-making power over activity selection and design to beneficiaries using **participation tools**.

Participation tools are a wide-ranging set of activities used to generate and collect beneficiary decisions. A variety of participatory development toolkits and public participation literature explain hundreds of possible tools (Clayton et al 1997, Lundy et al 2007, Slocum 2003, USAID 1998, World Bank 1996, Creighton 2005, Nabatchi et al 2015, Wang 2001). Table 1.1 presents a categorization of these tools, that includes tools that generate beneficiary input on how to improve pre-designed activities, those that ask beneficiaries to identify their needs and potential solutions to those needs, and those that solicit activity ideas in grant proposals, among others. Chapter 2 discusses these tool categorizations and how they relate to decision-making power.

#### **Common Types of Tools**

- Invitation to participate in activities
- Notification/announcement of activities
- Vetting ideas (requesting a green light, or minor tweaks)

<sup>3</sup> Note that during the contract solicitation period (prior to contract award), prospective contractors propose a more defined approach to the aid agency. Regardless, the selected contractor, must still follow the steps of turning the scope of work (and their proposed approach) into a tangible set of fully-designed activities.

- |  |
|--|
| <ul style="list-style-type: none"> <li>• Deliberative consultation (presenting initial ideas and soliciting in-depth feedback and collaboration)</li> <li>• Needs assessments (to identify problems and preferences for solutions) <ul style="list-style-type: none"> <li>○ Surveys</li> <li>○ Focus groups</li> <li>○ Visioning</li> <li>○ Brainstorming, etc.</li> </ul> </li> <li>• Community Consensus Building Activities <ul style="list-style-type: none"> <li>○ Charrettes</li> <li>○ Consensus conferences</li> <li>○ Dotmocracy</li> <li>○ Working groups, etc.</li> </ul> </li> <li>• Sub-grant solicitations (requesting proposals for activities from beneficiary groups)</li> <li>• Joint goal or priority setting for aid interventions or geographic target areas</li> </ul> |
|--|

Table 1.1. Common Types of Participation Tools

Applying the participation tools yields a set of beneficiary decisions, which range from advice to contractors on how to improve established project activities, to recommendations for activity priorities or approaches, to proposals for project activities. I call these **beneficiary decisions** because at the end of the application of participation tools, the beneficiary(ies) makes a decision about which activities should be implemented and how, which is then offered to the contractor. In Step 2, the contractor makes the final decisions on project activities, incorporating beneficiary decisions to some extent, and implements them.

The relationship between project activities and participation tools within a project is shown below in Figure 1.1. The unit of analysis in this study is a single aid project (or contract), but the project itself is comprised of many discrete project activities. When beneficiaries engage in the specification of project activities, the project (as a whole) exhibits beneficiary decision-making power.

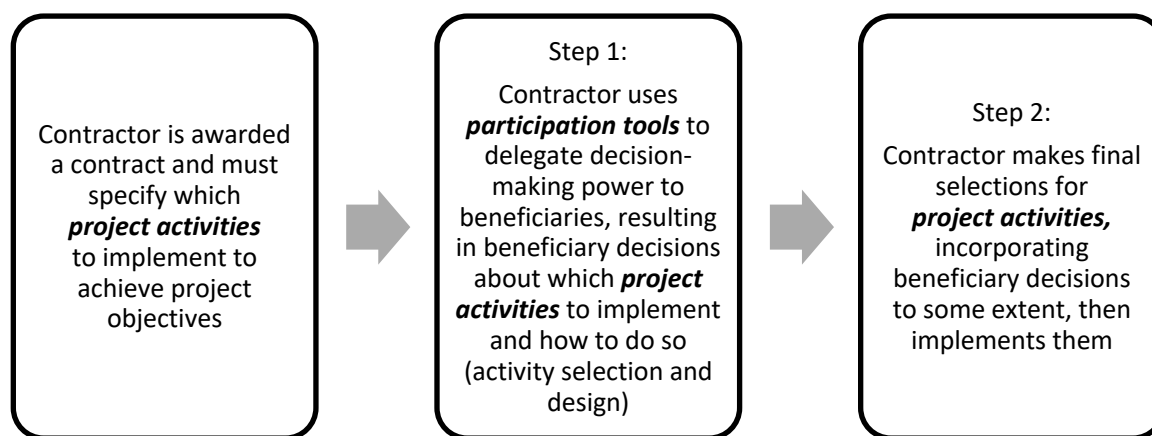


Figure 1.1. Project Activities and Participation Tools

This study examines beneficiary engagement in the first step. This analysis focuses at the level of project implementation, on contract design and execution, with particular attention to the first step a contractor takes after contract award: specifying the project activities<sup>4</sup>. Allocated delegation is the contract specifications for if, with whom, and how to engage beneficiaries in making these decisions about how to specify project activities.

### 1.2.2 *Defining Participatory Development: Delegation of Decision-making Power*

This study defines participatory development as an approach to development in which aid beneficiaries engage in decision-making about the aid activities that affect them, which is broad enough to incorporate both top-down and bottom up patterns, and reflects key definitions from domestic public participation literature, which will be discussed below.

‘Participation’ as a concept within international development is notably imprecise. The literature points to this ambiguity as a tool which gives donors and implementing partners a great deal of control over the level of participation, while resting comfortably under the label of a

<sup>4</sup> As Sandfort and Moulton (2015) note, projects (or programs) “focus . . . on developing the means to accomplish the desired ends, or the ‘throughput’ that links together inputs and outputs,” or, “the way activities and resources are applied to change current conditions into subsequent results” (74).

participatory approach (Cleaver, 1999; Cornwall, 2008; Lyons et al., 2001). Rigorous and consistent research on participation is difficult, since researchers are often investigating different phenomena but using the same name. By reviewing project scopes of work and reports, this study identifies two ways that projects commonly engage in beneficiary participation<sup>5</sup>: 1) delegation of activity implementation for a specific sub-set of the development activities; and/or 2) delegation of decision-making power over project activity selection and design (to some degree) to the beneficiaries of the development activities. This project considers that delegation of decision-making more substantively alters the nature of development activities, and so places decision-making at the center of the study.<sup>6</sup> By focusing explicitly on the delegation of decision-making power, we can unpack and classify key ways that beneficiaries directly influence or change project activities. One such approach is a formal needs assessment, or survey of beneficiaries about the challenges they face, ideas they have to address them, and their priorities in improving their livelihoods. Alternatively, projects may design project activities, but ask beneficiaries to approve their relevance and appropriateness before implementation.

The global policy environment typically calls for two types of delegated decision-making power. First, global collaborations such as the High Level Fora for Aid Effectiveness (in Rome (2003), Paris (2005), Accra (2008), and Busan (2011)) and their resulting commitments call for country ownership over aid processes and activities. Government actors in recipient (or beneficiary) countries are to determine national priorities with which donor action should align, by following pre-existing national plans in designing their activities and requesting that national beneficiary actors specify their own goals (OECD, 2008; Jin et al. in La Chimia et al., 2019).

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<sup>5</sup> For a repository of USAID project reports, see <https://dec.usaid.gov/dec/home/Default.aspx>. For a repository of scopes of work, see section C in request for proposal documents for USAID projects accessed through [https://beta.sam.gov/search?index=opp&page=1&organization\\_id=100148640](https://beta.sam.gov/search?index=opp&page=1&organization_id=100148640).

<sup>6</sup> Future work will look at engagement of beneficiaries in activity implementation.

On the other hand, the international development arena has seen the growing popularity of a bottom-up, grassroots approach to community development (White, 1999; Mansuri et al., 2012). Supporting literature paints participatory development as a process through which multiple individuals come together and make a collective decision about their priorities and strategies for action to promote social, political, or economic change (World Bank, 1996; Clayton et al., 1997; Mosse, 2005; Biggs et al., 2003; Cleaver, 1999; Korten, 1980; Cornwall, 2008; Wong, 2012). Often this process is characterized as a bottom-up, community- or village-based activity to generate solutions to local problems, followed by local implementation of these solutions (World Bank, 1996; Clayton et al., 1997; Mosse, 2005; Biggs et al., 2003; Cleaver, 1999; Korten, 1980; Cornwall, 2008; Wong, 2012). Outside donor efforts help to spark, organize, and—importantly—scale up these local efforts. For example, a donor may hold a series of community meetings to generate a shared vision for community growth, and then develop a plan to accomplish the goal.

### 1.2.3 *Why Might Foreign Aid Donors Engage in Participatory Development?*

In addition to external incentives to engage in participatory development from global agreements and trends, there are two additional incentives, intrinsic to participation itself, that might cause donors to pursue a participatory approach even in the absence of external pressure: 1) the potential to make aid activities more effective by solving an information problem (collecting information to design activities that are appropriately tailored to the local context) (Eisenhardt, 1989), and 2) the potential to instill local ownership over aid activities (increasing buy-in for activities and sustainability of outcomes) (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). Multiple rounds of global agreements have linked beneficiary decision-making on key project elements with increased effectiveness (Dabelstein et

al., 2013; OECD, 2008; White, 1999). Participatory development has also ridden a wave of popularity as an important and widely adopted approach for improving the effectiveness and appropriateness of development by all types of aid practitioners (White 1999, Mansuri et al 2012). Proponents argue that it leads to improved development outcomes that better address underlying social problem(s) and sustainability of approaches. As the USAID administrator said at a congressional hearing in 1994, “Our experience shows us that such a bottom-up, demand-driven approach nearly always leads to better performance and measurable outcomes than approaches that are driven in a top-down fashion from the center” (Atwood in Hearing Testimony before the Committee on Foreign Relations, 272).

Participation can help correct for a key failure of bilateral aid delivery: the incompatibility of foreign aid approaches with local context (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). This incompatibility is said to come from a development approach called, ‘blue-print development’. Blue-print development is an approach from the 1970s-1990s in which agencies identified a technical approach for addressing a particular problem that was effective in one developing country context and applied it in the same way (as a blue-print) to other contexts without adjusting for local factors. The made assumption was that the approach would work equally effectively in all contexts (Korten, 1980; Biggs et al., 2003; Brinkerhoff et al., 1989).

Blue-print development can endanger problem-solving and aid effectiveness by ignoring relevant factors from the local context. Anecdotal examples abound. Farmers receive new seeds, methods, and tools to increase productivity, but there are no large buyers willing to sign a contract with them, so their income doesn’t increase. Trainings intend to cater to women, but are given at a time when women are traditionally caring for children, and so they don’t show up.

Structural reforms of a government agency work in one country, but undertaking them in another country, with a different set of actors with different institutional histories, render them largely irrelevant. Local input has the potential to solve these information problems by educating donors on local needs and priorities, the strategies and activities that would be most effective in a given environmental and cultural context, or the institutional environment that governs local interactions and behaviors (World Bank 1996, UNDP/CSOPP 1997, Biggs et al 2003, Chambers 1997, Cleaver 1999, Korten 1980, Mosse 2005).

Participation may also increase local commitment to project success, instilling in beneficiaries a sense of ownership (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). The increase in ownership and local appropriateness is purported to lead to higher levels of efficiency, effectiveness and sustainability (Wong, 2012; Avdeenko et al., 2014; World Bank, 1996; UNDP/CSOPP, 1997), and to generate a sense of commitment to success, which in turn increases the likelihood of success (World Bank, 1996; UNDP/CSOPP, 1997; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005).

Some scholars are more critical of the potential of participatory approaches. One group of critics argues that participatory development fails to generate either local ownership or locally appropriate solutions, and is highly subject to elite capture, further marginalizing the unempowered (Cooke et al., 2001). Others prefer the “top-down mathematical decisionmaking” characteristic of more centralized and routinized approaches to development planning (Mitchell-Weaver in Shafritz, 2019; Brinkerhoff et al., 1989), which prioritizes technical knowledge and to identify evidence-based approaches to decision-making. Another approach favors market liberalization, contending that when markets are unencumbered, they will drive national economic growth. This approach, neoliberalism, was promoted the 1980s and was based on the

pillars of liberalization, conditionality, and structural adjustment. By allowing markets to take the reins rather government or local communities, aid projects deprioritized beneficiary engagement in decision-making (Mitchell-Weaver in Shafritz 2019). A final line of thinking suggests that beneficiaries may not be able to effectively engage in participation under certain conditions, such as emergency situations, humanitarian relief, or limited capacity or education (Korten, 1980). In contrast to these approaches, participatory development prioritizes beneficiary decision-making; yet, when participatory development is pursued through contracts, decision-making power delegated to beneficiaries may be constrained.

#### 1.2.4 *Bilateral Aid Delivery, Contracts, and Principal Agent Theory*

This study focuses on bilateral participatory development assistance as the level of analysis, through the United States Agency for International Development (USAID). Globally, bilateral development assistance comprises 71% of all official development assistance (OECD, 2020). U.S. bilateral development assistance comprises approximately 30% of all bilateral development assistance. Of the U.S.' bilateral development assistance, the majority (56%) is implemented by USAID (OECD, 2020). USAID has historically been the largest source of bilateral aid, spending approximately \$12-15 billion per year on foreign assistance (U.S. Agency for International Development, 2020; OECD, 2020), *and* is viewed as the most highly constrained, or “hamstrung” aid donor (White in Gupta, 1999, 121).

Bilateral aid is channeled directly from one donor country to projects in another recipient country (or many recipient countries). In contrast, multilateral aid combines the funds from multiple donor countries under the umbrella of an intergovernmental organization (for example the United Nations), and then implements projects in recipient country(ies). Multilateral aid is

subject to a multi-layered set of incentives and constraints, making it a more complex case for exploring the questions posed in this dissertation.

As indicated earlier, high-level actors within USAID note that when balancing competing goals, the agency prioritizes internal accountability and transparency requirements over other concerns: ". . . accountability and measurable results [take] precedence over ...[globally shared] aid effectiveness objectives" (Jin et al in La Chimia et al 2019, 343). We would therefore expect to see low levels of allocated delegation within USAID contracts, or perhaps none at all, despite global calls for more participatory approaches. However, the agency delivers impassioned statements in support of participatory development (Atwood, 1993; Cornielle et al., 2004, USAID project websites) and a variety of case-based and anecdotal evidence of its occurrence (Mansuri et al., 2012, USAID project websites, USAID project evaluations ). How USAID responds simultaneously to accountability and transparency requirements that may limit flexibility for participation, as well as the global calls for participatory approaches is unknown, as is whether, how, and to what extent they engage in participatory development strategies.

To explore this puzzle, we need to understand that U.S. bilateral aid exists within two contexts. Firstly, the donor country's national-level policy makers define policy goals and approve budgetary allocations within a context of competing political objectives (Lancaster, 1999). Second, in answer to bilateral agreements between the donor and recipient country, the donor country develops a 'country development cooperation strategy' outlining its goals for all foreign aid activities over a set period of time (usually five years)<sup>7</sup>. These two frameworks create incentives for the types of development goals that comply with congressional priorities and

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<sup>7</sup> Country development cooperation strategies can be found at: <https://www.usaid.gov/results-and-data/planning/country-strategies-cdcs>.

country strategies. The national-level policy context also introduces incentives to ensure accountability and transparency in foreign aid spending.

Further, aid is managed at two levels: from the headquarters in Washington D.C., with its wide variety of bureaus and offices, and from the missions (sometimes called the field office) within each country<sup>8</sup>. These two administrative levels introduce agency-wide or mission-wide programmatic priorities that are incorporated into contract specifications. They also constitute an extensive bureaucracy with thick red tape that is designed to incentivize accountable and transparent behavior from their contractors. Each of these four sources contributes its own priorities and requirements for aid work. This work focuses primarily on project implementation, which occurs within the context of this environment of institutional incentives from each of these four sources.

While policy decisions governing bilateral aid agencies at the congressional level are inherently political, literature on aid implementation and the contracting-out of public services focuses on the bureaucratic administration of aid, prominently featuring principal agent theory, referred to here as agency theory (Maartens et al., 2002; Gibson et al., 2005, Lambright, 2008). Agency theory is particularly helpful in understanding contracting decisions and behaviors. Since U.S. foreign aid is primarily implemented via third-party contractors (Jin et al. in La Chimia, 2019), agency theory can help explain when the delegation of decision-making power may happen, and how incentives that limit delegation (from the contract itself or the institutional environment of the aid agency) may limit the flexibility of agent behavior and decisions. Theoretically, agency theory 1) outlines the bureaucratic and constrained structure in which

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<sup>8</sup> For an organizational map of USAID, see: <https://www.usaid.gov/who-we-are/organization>.

participatory approaches operate, and, 2) emphasize the structural incentives in the chain that affect the feasibility of a participatory approach to project activity specification and design.

Agency theory illustrates how incentives instituted by a principal condition the actions and options available for an agent (Eisenhardt, 1989). “To reduce uncertainty associated with the unobservability of the agent’s actions, the principal has to introduce a mix of incentives and sanctions, information systems and monitoring mechanisms” (Nthatsi et al., 2020, 5). Scholars have characterized foreign aid delivery, with its hierarchical bureaucracies, as an especially long example of such a chain (Martens et al., 2002; Gibson et al., 2005). Scholarly explanations, including *The Institutional Economics of Foreign Aid* (Martens et al., 2002) and *The Samaritan’s Dilemma: The Political Economy of Development Aid* (Gibson et al., 2005) illustrate how this bilateral aid chain extends from donor country taxpayers to beneficiaries. In the context of foreign aid implementation, these incentives, sanctions, information systems, and monitoring mechanisms may constrain discretion for agents (Mosse, 2005), which we can interpret as limiting decision-making power delegated to agents, and, eventually, to beneficiaries. Figure 1.2 maps the chain and identifies current literature on its various principal-agent relationships.

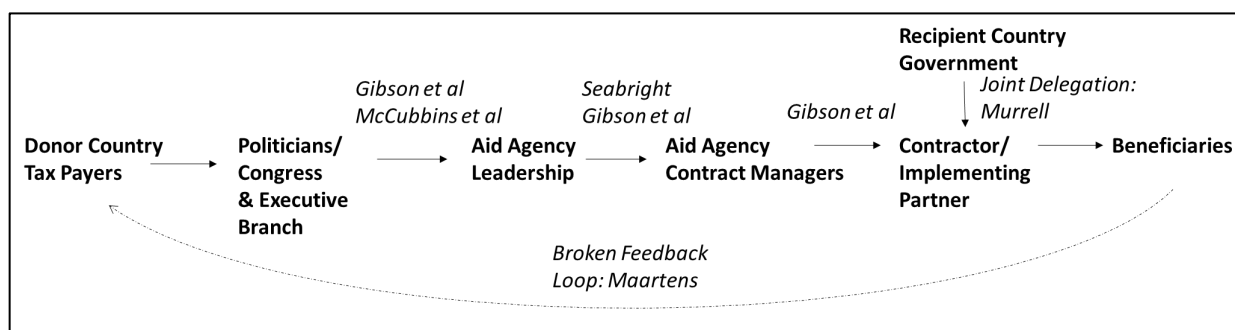


Figure 1.2. Principal Agent Relationships in the Bilateral Aid Context and the Authors Who Discuss Them

Agency theory is, at its core, a theory of delegation, and focuses on ways to incentivize a subordinate to fulfill the expectations of the delegator. The delegation can occur within two

contexts: 1) the principal has access to full information about the agent's activities and qualifications, and the skill set to assess them, or 2) this information is either not available or not fully available. Agency theory identifies key challenges associated with delegation, particularly when information is not available, such as moral hazard (the agent shirks on their agreed-upon responsibilities), adverse selection (the agent over-represents their skill set, and is actually unqualified for the job), and differing and/or conflicting interests. These problems result in inefficiencies and lower returns to the principal, which in this case, is less effective or efficient projects.

Despite its clear utility, existing literature does not use or build on agency theory to explain whether, when, and how foreign aid donor agencies use contracts to engage beneficiaries in foreign aid project decision-making.

### 1.2.5 *Bringing in the Context of USAID and Participatory Development*

This section tracks the process, from contract to implementation, for USAID projects that might seek to delegate decision-making power to beneficiaries, uses agency theory to explain this process, and points out other literatures that may further our understanding.

First, aid agency leadership determines the goals and specifications for upcoming projects. Then an individual or small group of individuals within the agency<sup>9</sup> writes a contract for a particular project, typically designed as a formal Request for Proposal (RFP), which is then published publicly<sup>10</sup> (USAID, n.d.)<sup>11</sup>. The RFP includes a scope of work, deliverables, targets,

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<sup>9</sup> Note that this person, not pictured in Figure 3, is a separate person from the contract manager.

<sup>10</sup> While stand-alone RFPs are common, there are two ways that contract managers may award a contract: via a task order or via a sole-source noncompetitive process. The donor may decide to issue a Task Order under an Indefinite Delivery/Indefinite Quantity contract (IDIQ)<sup>10</sup> for a more restricted competition process (USAID M/OAA & M/MPBP 2014)<sup>10</sup>, or sole-source the contract by getting a non-competition memorandum approved (ADS Chapter 302). In later chapters, I analyze only stand-alone RFPs and IQCs as the other two types are not publicly available.

<sup>11</sup> For a full description of the USAID contract and grant making process, see: <https://www.usaid.gov/work-usaid/get-grant-or-contract/grant-and-contract-process>.

references to universally-applied regulations, and particular project requirements. Within these parameters, the RFP designers choose whether to fully specify every possible decision or to leave certain elements ambiguous, implicitly or explicitly requiring the contractor and/or beneficiaries to make decisions, during either planning or implementation. If the requirement is explicit, then beneficiary participation itself becomes a contractual incentive, alongside all the other contractual obligations.

The LogFramework, the strategic planning tool commonly used by USAID, illustrates this variation in project specificity versus ambiguity. The aid agency sets expectations for development goals, and possibly gives guidance about the general approach to be used. To design a project in response to a development goal, the LogFramework first asks what type of sub-goals (called intermediate results) should be accomplished to achieve the development goal. Next, they ask what needs to be accomplished to achieve the intermediate results, and so on for multiple rounds. Figure 1.3 shows this structure, which can be read as follows: implementing activities within Activity Set 1 + those in Activity Set 2 will lead to fulfillment of Sub-IR 1, which will lead to accomplishment of Intermediate Result 1. Accomplishment of Intermediate Results 1 and 2 will lead to the accomplishment of the Development Goal.

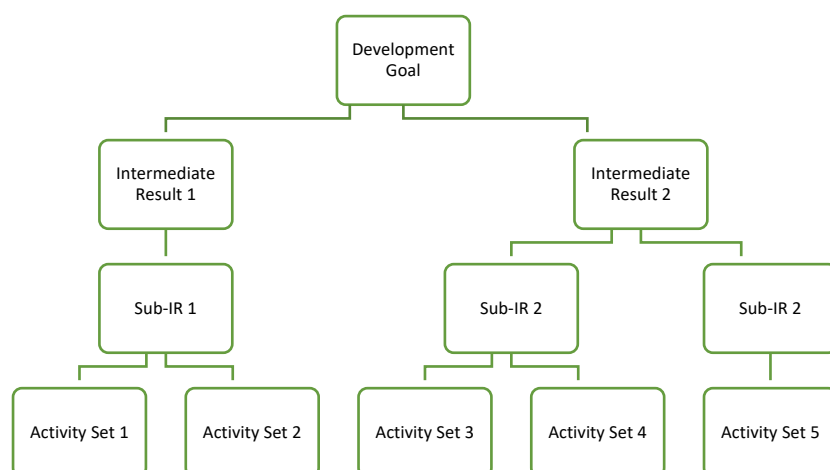


Figure 1.3. LogFramework Structure

Contract scopes of work may leave Activity Set 1 undefined, or may require beneficiaries to engage in decision-making about which type of activities should be pursued in order to accomplish Sub-IR 1. Activities in this set may be specified, but may leave the particular activities to be determined by the contractor or beneficiaries. The scope of work may leave the Intermediate Result ambiguous (along with the subsequent boxes Sub-IR, Activity Set, Activities). Regardless of the level of specificity in the LogFramework, the implementation of all projects inevitably entail some amount of additional specification, selection, and design before the contract can be implemented. If the activity set and particular activities are defined, the contract will still need to develop steps and identify beneficiaries and implementation sites, among other details.

Interested parties, most often U.S.-based contractors, submit formal proposals in response to the RFP explaining technical and budgetary considerations. Contractors are evaluated and selected using specified criteria, following a routinized process. Once implementation begins, an

in-country contractor team is headed by a chief of party and overseen by a USAID field office contract manager (contracting officer's representative) (USAID, n.d.).

The first step a contractor takes is to further specify the goals, tasks, and activities outlined in the scope of work, generating specific and detailed activities that can be added to an annual workplan. The program is subject to a number of specifications and requirements during work-planning and implementation, such as efforts to ensure that implementing partners complete tasks in alignment with donor priorities (Martens, 2002; Gibson et al., 2005). These constraints on the contractor, which decrease available decision-making power significantly before the project reaches local-level beneficiaries, are then applied to all subsequent agents, including beneficiaries (Martens, 2002; Gibson et al., 2005). If we consider a fixed amount of starting decision-making power prior to contract development, then once the position of principal passes beyond the donor government actor, a large majority of the decision-making power has already been expended. One possibility is that the implementing partner would use the remaining decision-making power available to respond to donor expectations and specifications, resulting in additional constraints on what beneficiaries can decide. In this case, the beneficiary is left with little decision-making power, because all important project parameters have been determined.

Consider a project in water and sanitation improvement. To ensure the contractor spends public dollars on tasks in line with the donor agency's goals, the agency typically assigns a senior technical expert to write an RFP for a contract, that includes the project goals, explicit targets for each year of implementation, and parameters for types of acceptable infrastructure. The RFP may also specify which communities should be offered the projects, based on political priorities established via congressional earmarking.

Once a contractor is selected and implementation begins, the contractor creates a workplan to achieve these goals within the timeframe allotted. To improve access to water, activities may include building wells, training local community members on well maintenance, generating public-private partnerships for tracking water availability and quality, and financing long-term maintenance. To hit each yearly target (for example, the number of wells installed), the contract implementation team would quickly conduct an assessment and use technical data to determine which piece of infrastructure is best suited to each location. Since the contract would have also required trainings on infrastructure maintenance, covering specific technical topics, the project likely designs these trainings and submits them for donor approval before offering it in each community. Reporting requirements may include disaggregated reporting on training attendees, and/or a minimum of, say, 50% of indigenous trainees, further specifying beneficiary demographics. In a project like this, by the time the project might consider including beneficiary decisions, efforts to ensure alignment with donor priorities, pressure to show results quickly, and reporting requirements may leave many, if not all, of the key decisions already made.

Agency theory is a useful starting point for analysis since it can explain how the aid agency may introduce incentives that focus agent behavior on accountability and tangible results, reducing flexibility for alternative pathways to development objectives. In fact, we do see this happening: "USAID is subject to extensive regulation and scrutiny that takes a premium on accountability and measurable results that takes precedence over ... [globally shared] aid effectiveness objectives," (Jin et al. in La Chimia et al., 2019, 343).

International development management literature identifies the common incentives embedded in the aid delivery structure that may limit agent flexibility as those that: 1) guarantee goal alignment between donor and contractor, 2) implement and show results quickly, and 3)

ensure accountability and responsible use of funds, through administrative procedures and information flow requirements (Gibson et al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005; Cooke et al., 2001, Maartens 2002). As Cornielle and Shiffman found in a 2004 study, these structure-level incentives decreased USAID's ability to effectively adopt beneficiary engagement in decision-making activities. (Incentives and constraints will be explored in-depth in Section IV, Relationship 2.)

Yet, agency theory and international development management literature also provide several reasons that principals often prioritize decision-making power for agents. These additions allow for a prioritization of decision-making delegation to beneficiaries as an explicit goal, and a focus on the countervailing incentives discussed above that shape contractor behavior. For example, in the presence of goal ambiguity, contracts may leave discretionary room for agents to work creatively and innovate to accomplish overarching goals (Kelman, 2002; Kim et al., 2012; Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980; Donahue et al., 2011). Similarly, in the face of significant problem complexity, principals may allocate discretion for both immediate and subsequent agents in the implementation chain—including beneficiaries—to figure out exactly how to conceptualize and solve the issue (Kelman, 2002; Kim et al., 2012; Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980; Donahue et al., 2011). This type of prioritized delegation assumes that those closer to the problem, those affected by the problem, and the experts who work on the implementation phase will likely have a better idea of how to address ambiguous or complex problems than the policy or project designer. This assumption provides one of the key rationales for participatory development from the donor agency perspective.

Agency theory's prediction for if, when, and how decision-making power is delegated, however, is ambiguous: we can generate predictions supporting both little delegation and

substantial delegation. Existing literature on participatory development or foreign aid also does not offer a clear prediction since it does not adequately address the role of the aid delivery structure for on-the-ground implementation. By undervaluing the importance of the aid delivery structure, its use of contracts, and how contracts structure project activities and real-world incentives for contractors, the field misses the connection between this structure and levels of beneficiary engagement in decision-making.

Existing work on public participation has focused exclusively on domestic participation processes. Further, little academic work studies whether foreign aid contracts incentivize beneficiary participation, whether that beneficiary participation occurs, and how projects use beneficiary decisions and input, limiting our knowledge of how participatory development occurs. While authors frequently study cases of public participation throughout different points in the policy-making cycle, using various participation tools or activities to collect beneficiary preferences and input (Wang, 2001; DeSantis et al., 2004; Yang et al., 2005; Lukensmeyer, 2007; LeRoux, 2009; Amirkhanyan et al., 2019; Amirkhanyan et al., 2018; Nabatchi et al., 2015; Creighton, 2005; Fung, 2006), only a limited number of studies focus on public participation within the context of government contracting, which accounts for a large proportion of development assistance. These studies suggest that government contracts can include incentives for beneficiary participation, and that contractors can be effectively incentivized to engage beneficiaries in participation. Government funding and its accompanying contract specifications successfully provide leverage for ensuring contractors implement participation tools (LeRoux, 2009; Mosley, 2012). On the other hand, contractors facing competing demands will favor contractual obligations over those that are not contractually required, including public participation (Amirkhanyan et al., 2018; Nishishiba et al., 2012; Nowland-Foreman, 1998).

Amirkhanyan and Lambright (2018) found that government contracting decreases the substantive contributions of citizens during planning and design, confirming earlier work that argues that bureaucratic service delivery decreases the occurrence of and amount of beneficiary engagement in decision-making. Contractors also seem to minimize transaction costs when incorporating changes from participation. Beneficiary input collected via application of participation tools can influence policy and programs in three ways: incremental changes (most frequent), adding new activities (occasional), and formal contract modifications (rare) (Amirkhanyan et al., 2018).

The motivations and incentives for pursuing participation may differ based on whether the contractor is a government actor or a third-party contractor. While government actors aim primarily to demonstrate legitimacy and generate buy-in for policies (Nabatchi et al., 2015; Creighton, 2005), contractors' primary motivations are successful completion of their contract obligations and earning reputational benefits to guarantee future work (Brown & Potoski, 2003; Salamon, 1993). This discrepancy echoes a key challenge identified in agency theory: providing the right contract incentives to ensure the agent proceeds in accordance with the principal's goals. When a principal incentivizes application of participation tools in a contract, the agent responds, confirming the importance of contract specifications in determining participation during implementation (Amirkhanyan et al., 2018).

Existing literature does not apply these concepts within an international context. In fact, prior theoretical work in foreign aid, particularly the influence of contract specifications through which aid projects are structured, does not overlap with public administration and management scholarship. By undervaluing the importance of contracts and how they structure real-world incentives, we fail to see when, why, and to what extent participation tools are actually

implemented. Merging public management literature into our understanding of participatory development allows us to correct this oversight and better understand and structure activities.

Focusing on agency theory *alongside* theories and literatures from international development management, public participation, and street-level bureaucracy can help explain how aid agencies respond to competing incentives for participation, and when they might delegate decision-making power to foreign aid beneficiaries. To do so, I develop a theoretical framework with testable hypotheses, to identify when beneficiary participation is likely to occur in bilateral aid and how it shapes project outcomes.

#### 1.2.6 *A Conceptual Outline*

This study and the proposed theoretical framework pull from agency theory as well as scholarship on participatory development (international development management and participatory development) and local-level tailoring of policy (street-level bureaucracy and public participation), in order to explain the occurrence, nature, and implications of contract specifications for foreign aid projects with respect to engaging beneficiaries in participatory development. This may reveal why beneficiaries receive decision-making power over activity selection on some projects and not on others.

The conceptual outline in Figure 1.4 defines three key concepts used in this study and explains the intended relationships among them: allocated delegation, implemented delegation, and beneficiary influence. As discussed above, **allocated delegation** is a contract specification to delegate decision-making power to beneficiaries. This specification includes specific language that outlines which beneficiaries should be involved in decision-making, which participation tools should be used, and how the participation tools selected should involve beneficiaries (for example, should beneficiaries provide information on local context, provide feedback on preset

activities, or propose new activity ideas?). Given that I define participatory development above as the delegation of decision-making power to beneficiaries, allocated delegation is the contract specification for participatory development.

As another example, a contract may mandate the contractor to select target areas for capacity building of federal judges and court administrative staff, in consultation with department of justice leadership. It may require the contractor to award small grants to fund local proposals for activities to increase literacy rates among out-of-school youth. By including language that specifies beneficiary decision-making in the contract through local proposals (i.e. allocated delegation), the aid agency is incentivizing contractor behavior.

Once selected, the contractor begins the process of creating highly detailed implementation plans to accomplish project goals. The contractor may make these design decisions with or without beneficiary participation. When allocated delegation is specified in the contract, agency theory predicts that the contractor will respond to the contract incentives and implement the specified *participation tools*, which are the means or venue through which beneficiaries communicate preferences and make decisions (**implemented delegation**). These tools may include consultation meetings with federal judges and court administrative staff, or a call for local grant proposals. Beneficiaries then have the opportunity to express their preferences and supply local knowledge.

The contractor then makes the final decision about which project activities to implement and exactly how to implement them, effectively determining how strongly beneficiary input and decisions will influence the project (**beneficiary influence**). Once these decisions are made, the contract team implements the decided-upon set of project activities. Beneficiary influence over project activity design may target outcomes more appropriately, and therefore may influence

whether projects are more locally appropriate and more effective (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse; 2005).

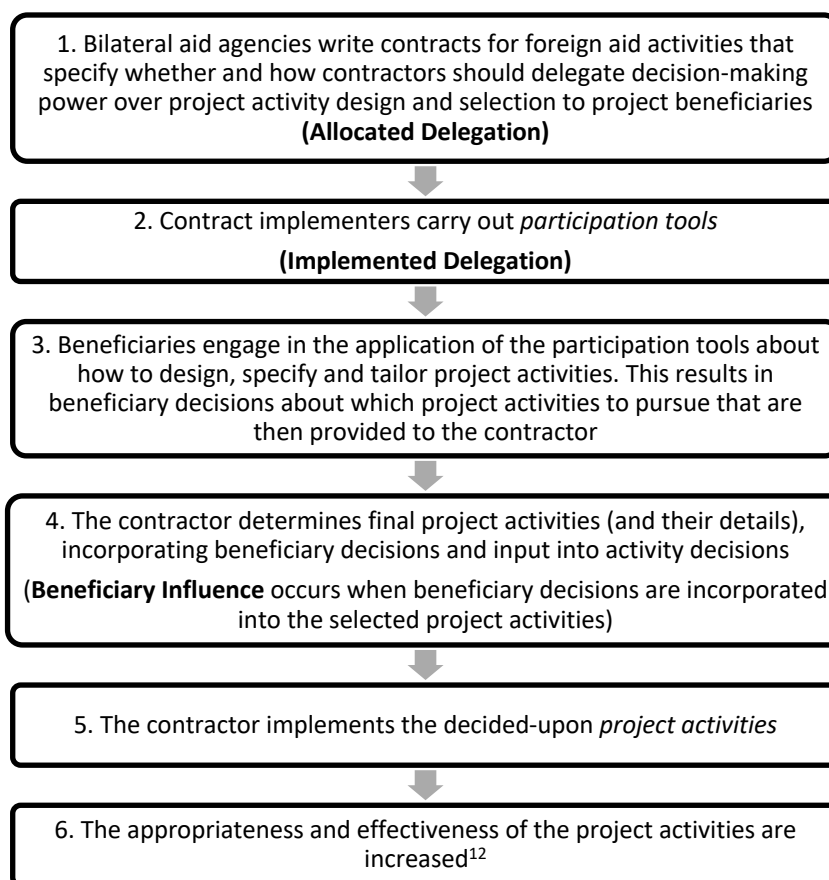


Figure 1.4: Flowchart of Bilateral Aid Delegation: Key Concepts and **Posited** Conceptual Relationships<sup>12</sup>

Figure 1.4 distinguishes between the intention for and implementation of beneficiary participation, as well as the use of beneficiary decisions in project activity design. It describes the posited conceptual relationships critical to this study. However, in reality, each step represents a choice, and may or may not be fully completed. As such, each step could be read as ‘to some extent’ in practice. Contract specifications for delegation of decision-making power to beneficiaries (allocated delegation) may not always equate to actual beneficiary engagement

<sup>12</sup> As with the above steps, this step (box 6) is a hypothesis. However, instead of being posited (and tested) in this dissertation, it is drawn from existing work on participatory development.

(implemented delegation), which itself may not mean that beneficiary decisions are incorporated into the ultimate activity selection and design (beneficiary influence) (boxes 1, 2 and 4). The disaggregation of ‘participatory development’ into a set of steps that follow the contracting process can illuminate when, and why, actors may make choices different from those posited in Figure 1.4, and, in turn, when, and why, delegation of decision-making power to beneficiaries as expressed in the contract, may differ from what is implemented, or how the decisions influence the final selection of project activities. Beneficiary decision-making power may decrease or increase at any of these steps. This disaggregation and comparison may explain why different projects implement participatory approaches to different degrees and in different ways, with varying outcomes.

### 1.3 PARTICIPATORY DEVELOPMENT: INCENTIVES AND EFFECTIVENESS

The previous section built on agency theory using other theoretical perspectives relevant to beneficiary decision-making, within the bottom-most rung of the principal-agent chain. However, the above theoretical perspective does not discuss the main incentive to engage in beneficiary participation: namely, participatory development supporters argue that it makes development work more effective (World Bank, 1996; Clayton et al., 1997; Biggs et al., 2003; Cleaver, 1999; Korten, 1980; Cornwall, 2008; Wong, 2012), in line with various international agreements and global trends in development work (Dabelstein et al., 2013; OECD, 2008; White, 1999). Many critics contest this claim, however, arguing that it merely reinforces existing power disparities and does not change project activities or outcomes (Cooke et al., 2001). This section discusses the results of studies assessing its effectiveness (part A), and summarizes findings in public participation

literatures about whether contracts can incentivize contractors to engage in public participation (part B).

### 1.3.1 *Does Participatory Development Actually Improve Development Outcomes?*

While the potential for improved development outcomes serves as a powerful incentive, evidence is mixed. The literature, which comes largely from a series of case studies, identifies several factors that limit the effectiveness of participation, including local elite capture, limited local capacity, incentives to maintain local institutions, a lack of downward accountability mechanisms, and a lack of clear benefit for communities (Mansuri et al., 2013; Avdeenko et al., 2014; Wong, 2012; Khwaja, 2004; Lyons et al., 2001; Sesan, 2014; Heinrich, 2009; Nkonya et al., 2010; Labonne et al., 2011; Fritzen, 2007; Khwaja, 2009; Beard et al., 2006; Ahmad et al., 2014-a; Ahmad et al., 2014-b; Russ et al., 2013; Nkonya et al., 2012; Nuttavuthisit et al., 2014; Isham et al., 1995; Milton et al., 2011; Park et al., 2010; Masozera et al., 2006; Classen et al., 2008; Labonne et al., 2008).

One seminal contribution to the relevant empirical literature is a compilation of 500 such case studies that feature participatory activities and/or decentralization, by Mansuri and Rao (2013). Their study asks whether “participation [can] be induced through the type of large-scale government and donor-funded participatory programs that have become a leitmotif of development policy”<sup>13</sup> (Mansuri & Rao, 2013, 1). Intended to be descriptive and consolidatory, offering key themes, lessons learned, and best practices, and not to provide causal claims, their

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<sup>13</sup> Note that the World Bank disaggregates participatory approaches into those that are of local origin and scaled up, and those that are externally induced. There is limited literature on the process for scaling up pre-existing local interventions, as this is relatively straightforward (identify, scale-up as appropriate). Alternatively, there are a number of donor and non-profit toolkits on how an external actor can create a participatory process. Note that a World Bank study reviewed a series of case studies and determined that externally-spurred participatory development was largely ineffective. I will return to this later when discussing criticisms of participatory approaches.

analysis nonetheless yields no clear evidence that participatory approaches consistently improve project outcomes. However, they do identify a list of factors that either limit (at times prohibitively) or improve the effectiveness of participation. The effect of these factors on participation's ability to influence project goals varies dramatically based on local context. Table 1.2 outlines the mediating factors that influence these effects.

Table 1.2. Mediating Variables Summarized from Mansuri and Rao (2013)

<b>Mediating Factor</b>	<b>Description of the Factor</b>	<b>How the Factor Influences the Effect of Participation on Outcome Achievement</b>
Local Elite Capture	When project decisions on behalf of the local community are co-opted by local elite and reflect their preferences as opposed to those of the community at large. Labeled as "typical" in participation.	When Capture Occurs: <ul style="list-style-type: none"> <li>- Existing social structures and inequality are reinforced.</li> <li>- The poor in the community "often benefit less from participatory processes than do the better off" (Ibid, 5).</li> </ul>
Local Capacity Building	Often local community members or organizations involved in participatory processes do not have the operational and management skills needed to effectively and efficiently implement project activities. Coupling funds or activities with capacity building efforts is an incredibly common approach in participatory development.	When Local Capacity Building Occurs: <ul style="list-style-type: none"> <li>- Projects experience increased efficiency of resource use.</li> <li>- Activities are more cohesive and effectively executed.</li> <li>- Sustainability of activities and local organizations improves.</li> </ul>
Incentives to Maintain Local Institutions	Sustainability occurs when project institutions and impacts last beyond the life of the project. Incentives to maintain local organizations and institutions after a project and consequent funding end are noted as key constraints to long-lasting outcomes.	Without Incentives: <ul style="list-style-type: none"> <li>- New local organizations created to respond to project needs and funding disappear.</li> <li>- Long-term project impacts are limited.</li> </ul>
Mechanisms for Downward Accountability	Mechanisms exist by which local participants can assess and hold project teams accountable for activity design, implementation, progress, and outcomes.	With mechanisms for downward accountability: <ul style="list-style-type: none"> <li>- Project teams are held more fully accountable for results and appropriate use of funds, thereby increasing effectiveness and efficiency of project activities.</li> <li>- There is a decreased management burden: "The absence of robust mechanisms for downward accountability tends to go hand in hand with complex reporting and planning requirements, which are usually beyond the capacity of local actors and become a tool for retaining control and assigning patronage" (Ibid, 7).</li> </ul>

<b>Mediating Factor</b>	<b>Description of the Factor</b>	<b>How the Factor Influences the Effect of Participation on Outcome Achievement</b>
Clear Benefits for Participants	When beneficiaries participate on projects that have a clear and direct benefit to them, they are more likely be interested and committed to its success, and to participate in its design and implementation.	Without Community Benefit: - Incentives are not aligned with output goals. - Ownership is limited

The analysis and conclusions in the above table tell us that participatory development does not have a homogeneous effect on achievement of development outcomes. Instead, participatory development is more effective when there is less local elite capture, higher local capacity or capacity building, higher levels of maintenance of local institutions, greater numbers of mechanisms for local accountability, and clearer potential benefits for the local community. It is worth noting that this set of necessary conditions is echoed in reviewed empirical works not included in the Mansuri and Rao piece (Avdeenko et al., 2014; Wong, 2012; Lyons et al., 2001; Sesan, 2014; Heinrich, 2009; Nkonya et al., 2010; Fritzen, 2007; Beard et al., 2006; Ahmad et al., 2014-a; Ahmad et al., 2014-b; Russ et al., 2013; Nkonya et al., 2012; Nuttavuthisit et al., 2014; Milton et al., 2011; Masozera et al., 2006; Classen et al., 2008).

On the other hand, there is also a community of academics and practitioners who argue that participatory development does not improve development outcomes, and in fact, can have detrimental effects on the communities they seek to support. Many of these scholars came together in 2001 to write an edited volume entitled “Participation: The New Tyranny?”, spotlighting how the politics underlying participatory processes often invalidate the intended benefits, namely “sustainability [i.e. local ownership], relevance [i.e. local appropriateness] and empowerment” (Cooke et al., 2001, 5). They argue that proponents of participatory development do not consider how local powerholders can undermine participatory development’s ability to generate local ownership, locally appropriate solutions, and empowerment—the factors that

supposedly make the approach more effective. Local elites and project staff often co-opt the decision-making process, leading to solutions that are not locally appropriate, do not have widespread local ownership, and do not empower most of the intended beneficiaries. By favoring the preferences of those in power, and especially the project staff itself, a participatory approach would not change the activities implemented as compared to a non-participatory approach. Further, existing hierarchies may be reinforced, leaving marginalized groups unempowered or further marginalized (Cooke et al., 2001). While this contribution, more conceptual in nature, is based on author experiences rather than empirical work, their perspective may help explain the mixed nature of the empirical results discussed above, and certainly signals a need to ward against elite capture by local power holders and project staff. The mixed nature of the empirical results may also be explained by a lack of attention to the role of contracts in conditioning beneficiary participation. The theoretical framework in the following section discusses how the contract may influence participatory processes and outlines a set of hypotheses for when allocated delegation occurs and with what impact on aid project impact.

#### 1.4 A THEORETICAL FRAMEWORK OF PARTICIPATORY DEVELOPMENT THROUGH FOREIGN AID IMPLEMENTATION

Under what circumstances would we expect a donor to prioritize participation objectives and specify allocated delegation in a contract? How does a contract's environment of competing incentives influence the extent of implemented delegation? How do these same incentives and constraints influence beneficiary decisions and impact? This section lays out a theoretical framework showing when allocated delegation should occur, the extent to which it should turn into implemented delegation, and the impact it should have on project outcomes, prioritizing the questions above.

Figure 1.5 presents the full theoretical framework, in four sets of relationships.

Relationship 1 lists the explanatory factors for allocated delegation. Relationship 2 tracks the pathway from allocated to implemented delegation, and Relationship 3 shows how implemented delegation predicts the impact of beneficiary decision-making on project activity selection and design. Relationship 4 outlines the path from beneficiary influence over project activities to project impact, including the mechanisms inbetween. Relationships 1, 2 and 3 will be tested in this project. Relationship 4 will not be tested but is included for theoretical completeness.

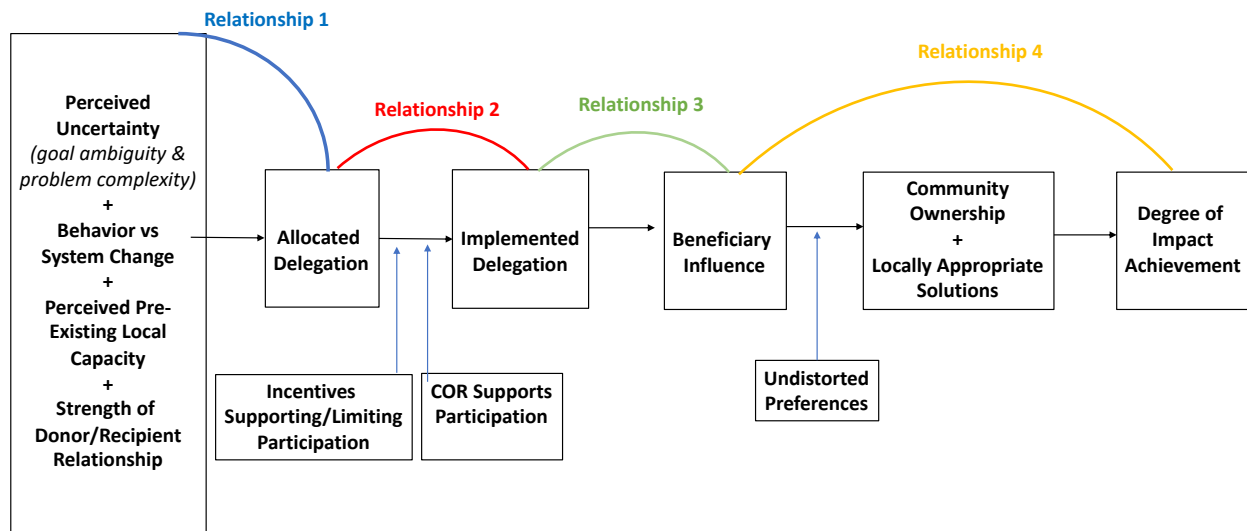


Figure 1.5. Proposed Theoretical Framework

In short, the framework expects that high levels of allocated delegation occur when incentives embedded in the aid delivery system do not prohibitively constrain participation incentives. This includes: low perceived uncertainty about the project, a project focus on individual behavior change and not institutional change, high local capacity, and strong donor/recipient relationships. Allocated delegation would then be implemented so long as contractual and institutional incentives facing contractors, and the contractor, support beneficiary participation. In order for implemented delegation to result in improved project impact, a series of relationships must hold. If beneficiary decisions reflect undistorted preferences and influence

project activities, then implemented delegation would increase the degree of impact, by generating community ownership over, and locally appropriate solutions for, development projects.

#### 1.4.1 *Relationship 1: Determinants of Allocated Delegation*

*USAID contracts for foreign aid projects are more likely to specify delegation of decision-making power to beneficiaries when:*

- Contract designer/delegator perceptions of uncertainty of project goals and steps to achieve the goals are lower (i.e. less uncertainty),
- Work centers on individual behavior change (and not institution/system change),
- Pre-existing relationships between donors and recipients are stronger, and
- Local capacity to make decisions about and assist in the design of locally appropriate activities (as perceived by the contract designers) is higher.

##### 1.4.1.1 Perceptions of Uncertainty

Perceived uncertainty is an oft-referenced predictor of decision-making power delegation. Both public management and international development literatures consistently disaggregate uncertainty into goal ambiguity ('what' are we trying to accomplish?) and problem complexity (what steps are required to accomplish it?), but differ on the manner in which uncertainty will influence delegation of decision-making power (Kelman, 2002; Kim et al., 2012; Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980; Donahue et al., 2011; Milward et al., 2003; Chun et al., 2006).

Project goals are often ambiguous, making it more difficult for contract designers to require their completion or measure progress. Guidance can be more finely tuned in an environment of clear goals and well-developed performance measures; otherwise, the individuals within the street-level bureaucracy may be on their own, affecting workers' job experiences and managers' ability to exercise control over policy (Lipsky, 2010, 40).

Goal ambiguity clouds the path from problem to solution (Kelman, 2002; Kim et al., 2012; Lipsky, 2010; Chun et al., 2006; Mosse, 2005; May et al., 2009; Korten, 1980; Donahue et al., 2011). For example, a programmatic goal could be poverty reduction for farmers in the Altiplano region of Bolivia. However, exactly which activities should be undertaken, with which groups, and in which proportions may be unclear at project outset.

Problem complexity is defined by the level of ex-ante understanding, or how to address a problem, achieve a set goal, and/or predict the outcomes of interventions. The more complex the problem, the harder it is to identify pre-determined, uniform solutions with tangible steps, and the more likely it is to have multiple, interacting subsidiary goals that need to be tackled together (Bajari & Tadelis, 2001; Brown et al., 2009; Kelman, 2002; Kim et al., 2012).

Contract literature demonstrates that the lack of clarity resulting from goal ambiguity and problem complexity results in higher transaction costs during the contract design and implementation phases. The threat of these costs leads contract designers and managers to specify as much as possible within the contract itself, in order to reduce risk of unsuccessful contracts and cost overruns (Williamson, 1979; Brown & Potoski, 2003b, a; Brown et al., 2006). The higher the perception of uncertainty, the lower the delegation of decision-making power, as an attempt to minimize risk and ensure successful outcomes

(Williamson, 1979, 1981; Walker & Weber, 1984; Anderson & Gatignon, 1986; Bajari & Tadelis, 2001; Brown & Potoski, 2003b; Perner et al., 2014; Cooper, 1980).

However, international development management and street-level bureaucracy literatures argue for a different relationship: the less we know about goals and how to achieve them at the local level, the higher the level of allocated delegation should be (Korten, 1980; Cornwall, 2008; Biggs & Smith, 2003). Allocated delegation increases the effectiveness of the activity in a context of uncertainty (Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980) by allowing for a case-by-case analysis of the ‘best’ path, from status-quo to intended outcome, by those closest to the activity.

The pervasive strength of control mechanisms throughout public management literature, guided by this study’s focus on contracting through aid bureaucracies, forms a hypothesis predicting that higher perceived uncertainty should lead to less delegation.

*H<sub>1A</sub>: Projects with higher degrees of perceived uncertainty will have less allocated delegation.*

#### 1.4.1.2 Behavior vs. Systems Change

Projects typically target changes in individual behavior, changes at the institutional or systemic level, or both. Most studies discuss participatory activities within the context of individual behavior-change projects, and not nation- or city-wide systemic change. Given this trend, I hypothesize that behavior-change projects are more likely to be participatory than projects that focus on systemic or institutional change. Examples of individual behavior-change projects include those that seek to motivate new businesses creation, change farmers’ production methods, or cease deforestation behaviors. Projects that focus on systemic or institutional change may include efforts to introduce new policy, improve

public agency performance, introduce new practices into public and private health systems, reform teaching practices within public education, or engage municipal-level governments in adopting new tools to identify and respond to public security threats.

This study uses the primary sector of the project as the proxy for this measure. As such, I hypothesize that the following (people/behavior change-focused) sectors have higher degrees of allocated delegation: agriculture, economic growth, and environment. The following (large-scale systems-level change-focused) sectors have lower degrees of allocated delegation: democracy and governance, health, education, gender, water, and crises and conflict. These categorizations are based not on existing theory or literature, but on *average* typical approaches and activities by projects within each sector, based on 1) review of each RFP in the contracts dataset (see Chapter 2), and 2) observations of project work during my experience as a foreign aid contractor. Note that the choice of a behavior-change project vs. a systems-change project may be in part driven by institutional incentives for participation.

*H<sub>1B</sub>: Projects in sectors that are ‘people/behavior-change focused’ will have more allocated delegation compared to projects that are ‘systems-change focused.’*

#### 1.4.1.3 Strength of Donor - Decision-Making Partner Relationships

Stronger relationships between the delegator and the recipient of decision-making power should lead to higher levels of allocated delegation (Amirkhanyan et al., 2010; Sclar, 2000).

When these relationships are strong and uncertainty is high, contract designers and managers may create more flexible contracts, with more decision-making power available for partners (Amirkhanyan et al., 2010), especially when the contract requires

interdependence among actors, joint decision-making, long-term or open-ended work, and/or sufficient levels of contractor trust. The degree to which the delegator trusts the recipient, based on interdependence among actors, prior experience, and the potential for future partnerships, determines both parties' commitment to successful development outcomes (Amirkhanyan et al., 2010). As we saw earlier in the chapter, one key tool specified in allocated delegation is joint decision-making. Further, foreign aid projects are typically iterative, creating a near-guarantee of the opportunity for future partnership.

The stronger the relationships between the donor and any decision-making partners further down the implementation chain (including contractors and beneficiaries), the more allocated delegation should occur. However, the foreign aid context must take into account not just donor and contractor, or donor and beneficiary, but also the role that national and diplomatic relationships play in assessing relationship strength and making contracting decisions. Therefore, the following three types of relationships inform the overall impact on allocated delegation:

- Country-to-Country
- Donor-to-Implementing Partner
- Donor-to-Beneficiary Community

*H<sub>1C</sub>: Projects with stronger relationships between the delegator and recipient of decision-making power will have more allocated delegation.*

#### 1.4.1.4 Donor Perceptions of Local Capacity

The local capacity to make effective decisions and implement project activities is commonly discussed as a prerequisite for successful development work. In fact, a lack of local capacity is often referenced as a key source of project failure and participatory activity failure (World Bank, 1996; Mansuri et al., 2013).

Local capacity can be broken into three categories. Capacity for local mobilizing (Mansuri et al 2013) is the ability to engage in collective action, to come together and hold government accountable, and to self-manage/self-initiate activities. Technical capacity refers to know-how surrounding the actual project activities. Operational capacity is the administrative and financial capability to execute required processes for receiving foreign aid funding. While the literature primarily discusses capacity for local mobilization, aid practitioners typically refer to either technical or operational capacity<sup>14</sup>.

Perceived local capacity refers to the contract designers' perceptions of local participant communities' abilities to assist project implementing teams in designing and tailoring local activities. The contract writer's previous experience in the target communities would inform this judgement. In the absence of specific knowledge, donors may use national or subnational region-wide education levels as a signal or proxy for local capacity. Communities with higher perceived capabilities to contribute to project design should receive higher levels of delegation.

*H<sub>1D</sub>: Projects in countries with higher perceived local capacity will have more allocated delegation.*

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<sup>14</sup> Based on my experience as a development professional, and supported by the interviews in chapter 4.

#### 1.4.1.5 Holding Constant Institutional Incentives and Contract Writer Variation

Allocated delegation in contracts likely reflects a combination of institutional preferences and contract writer preferences for participation. I opt to hold institutional incentives from USAID missions that support and limit participation and contract writer preferences as constant both across time and field offices. Different offices within the donor agency as well as in-country missions may interpret agency-wide institutional incentives differently, or have differing preferences with regard to participation. Contract writers may have similar differences in interpretation and preferences. These differences may be a cause of variation in allocated delegation.

While this assumption of constancy is a limitation of the framework and any empirical work based on it, it allows us to generalize across agency- and departmental-level contracts and focus at the level of study intended for this project: contract-level incentives. Treating these factors as constant does create a limitation of the theoretical framework. As such, any findings as a result of testing the framework without this variable may be driven in part by inconsistencies in both USAID's application of incentives for participation across projects, or the degree to which contract writers respond to them or respond to their own preferences.

#### 1.4.2 *Relationship 2: Allocated Delegation Predicts Implemented Delegation*

*USAID's contract requirements for delegation of decision-making power to beneficiaries on a foreign aid project (allocated delegation) should predict the contractor's implementation of the delegation on the project as long as:*

- The contract includes incentives that support beneficiary participation such as reporting requirements and target indicators, in addition to the contract incentive of allocated delegation,
- The bureaucratic control mechanisms and contract's control mechanisms do not over-ride participatory efforts, and
- There is support for participation from the COR.

To begin, I hypothesize that there is a relationship between allocated and implemented delegation, as per H<sub>2A</sub>.

*H<sub>2A</sub>: The presence of implemented delegation is more likely when preceded by allocated delegation.*

However, implementation of beneficiary participation and decision-making is not inevitable (Nuttavuthisit et al., 2014; Amirkhanyan et al., 2018; Harris, 2020; Mosse, 2005; Cooke et al., 2001; Mansuri et al., 2013). Below, I posit and visually map hypotheses about factors that mediate the relationship between allocated and implemented delegation.

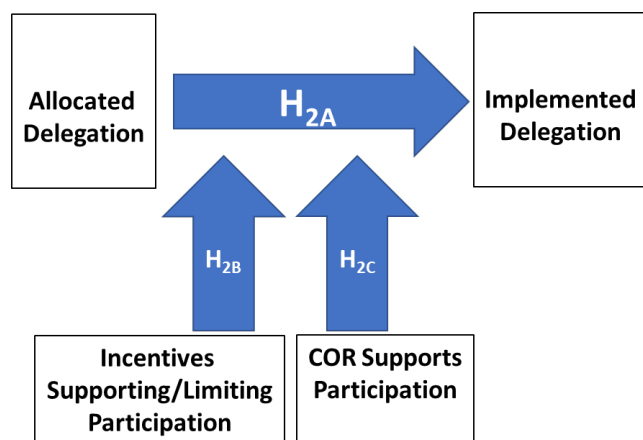


Figure 1.6. Hypotheses 2a, 2b, and 2c

#### 1.4.2.1 Incentives for Participation

Contractors' actions during implementation reflect explicit contract and institutional incentives generally, but particularly so for implementation of participation tools (LeRoux, 2009; Mosely, 2012; Amirkhanyan et al., 2018; Harris, 2020; Milward & Provan, 2003). In addition to contract specifications for allocated delegation, contracts may include mechanisms for carrying out the allocated delegation such as performance targets, reporting requirements, or grant fund requirements. They may also incorporate institutional guidelines or frameworks supporting participatory approaches into the contract document. Both types of incentives make the implementation of allocated delegation more likely. As discussed earlier, the larger the number of incentives for delegated decision-making, the more likely it is that intended delegation will occur. However, a large number of institutional incentives embedded in the aid system might limit implementation of this delegation, and the stronger these incentives, the less likely it is that intended delegation will occur.

#### 1.4.2.2 Control Mechanisms/Constraints to Participants: The Countervailing Incentives that Limit Delegation of Decision-Making Power

Bureaucratic control mechanisms at the contract and institutional levels may override participatory goals, decreasing implementation of beneficiary decision-making power (Gibson et al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). Actors in the bureaucratic delivery chain may apply pressure to align with donor political and development goals, or to implement quickly and stick to a timeframe, leaving little time or space for beneficiary decision-making. Finally, donor and institutional demands for reporting on beneficiary decisions and activity parameters in specific formats and structures may constrain options beneficiaries can suggest (Gibson et

al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Martens et al., 2005; Korten, 1980; Mosse, 2005).

The relationship between institutional and contract incentives is fluid. Often institutional incentives are incorporated into contract documents, then becoming contract incentives. For example, institutional incentives to show results quickly become contract incentives when short turnaround times are applied to contract reporting requirements and goal achievement, and then assertively followed up on during implementation.

Alternatively, consider an agency-wide initiative to incorporate capacity building for local organizations to then receive aid funding directly. New contracts then include language explaining the relationship of the new project to the initiative, and may include additional reporting requirements about the number of organizations trained or the number of trainees receiving subsequent aid funding. The contract may also include activities in the scope of work that reflect capacity building and a special activities fund to support the work. To the extent that institutional incentives are included in the contract either explicitly or implicitly, they are taken into account in this study. This section discusses the incentives that emerge from the institutional structure, but influence contractor behavior through contracts.

Donors, as principals in the contract, work to align all actors' goals with their own, to ensure that contract implementation proceeds in accordance with their goals and priorities (Martens et al., 2002; Mosse, 2005; Brown et al., 2006). To guide contractor behavior, donors may limit available options for decision-making topics and depth during implementation, via scope requirements. They also specify particular activities, provide funding caps and constraints, tailor reporting requirements, and require approvals for certain types of decisions (Brown et al., 2006).

Contractors face significant pressure to implement and achieve results quickly (Korten, 1980; Mosse, 2005; Biggs et al., 2003), which may decrease or circumvent beneficiary decision-making processes, which can take significant time. Instead of arriving with a plan and hitting the ground running, participatory development requires an initial local planning phase which includes gathering participants; introducing goals; generating community compromise over goals, ideas for activities, and consensus; assigning responsibility; and compiling a formal proposal for the donor regarding beneficiary responsibilities and accountability mechanisms. Anecdotal reports suggest that implementation teams begin these processes, and then, once a certain amount of time has passed without completion, donors feel the pressure from time-based incentives and seek to shorten or cut off the participatory element.

The structure of bilateral aid delivery creates many incentives for implementation teams to organize proposed activities, implementation management, goals, and evaluation of progress in ways compatible with donor expectations, which may limit possible activities and approaches (Korten, 1980; Mosse, 2005; Biggs et al., 2003). In order for local beneficiary organizations to receive grant funding for their ideas, implementation teams and local communities must submit grant applications following the standardized formats for both projects and applications, with quantitative targets, Gantt charts, budgets, and clear maps to goals achievement. Essentially, they must 'fit' into the project management schematic. While this helps the contractor and donor agency ensure compliance and minimize risk of ineffective expenditures, it also incentivizes recipients of sub-grants awarded by the contractor to focus on the same types of inputs and outputs that contracts prioritize. This limits beneficiary proposals to those ideas fitting within 'valid' structures,

goals and implementation processes, as defined by donor structures (Korten, 1980; Mosse, 2005).

Donors also impose extensive reporting requirements on implementation teams. These requirements guide donor behavior and priorities towards completing tasks with attached reporting responsibilities (Gibson et al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Martens et al., 2005; Mosse, 2005). While these expectations are written during contract design, they do not influence contractor behavior until mid-implementation, and/or during decisions about the extent to which they will implement participation tools (i.e. predict the value of implemented delegation). As with formal contract requirements, if no reporting requirements exist for participation and/or beneficiary decision-making, contractors will likely deprioritize it. The greater the number and influence of control mechanisms that constrain beneficiary decision-making, the less implemented delegation should occur.

*H<sub>2B</sub>: Having more contract and institutional incentives that support beneficiary participation as compared to those that limit participation mediates the relationship between implemented delegation and allocated delegation, making implemented delegation more likely given a value of allocated delegation.\**

\*H<sub>2B</sub> incorporates both contract incentives for participation and participatory processes and control mechanisms. If there are more incentives for participation than those limiting participation (i.e. if the ratio of supportive/limiting incentives is positive), then I hypothesize implemented delegation is more likely.

### 1.4.2.3 COR Support for Participation

The Contracting Officer's Representative (COR) is the person designated as contract manager on behalf of the donor. This person oversees project-level decisions during implementation and therefore have an important role in making decisions that influence day-to-day activity implementation. They can push for their favored approaches over community input, or protect participatory processes from donor influence. The more they support beneficiary decision-making, the more beneficiaries should be involved in decision-making and see their decisions implemented.

*H<sub>2c</sub>: USAID Contracting Officer Representative support of beneficiary participation mediates the relationship between implemented delegation and allocated delegation, making implemented delegation more likely given a value of allocated delegation.*

In short, implemented delegation should mirror allocated delegation as long as the contractor has incentives for allocated delegation unmitigated by incentives against participation from the contract and institutional structure, and as long as there is COR support for participation.

### 1.4.3 Relationship 3: *Implemented Delegation Predicts the Influence of Beneficiary Decision-Making on Project Activity Selection and Design*

When implemented delegation of decision-making power to beneficiaries occurs, beneficiaries are expected to have the opportunity to make decisions. When beneficiaries make decisions, these decisions may influence the selection and design of project activities.

Based on the proposed framework, implemented delegation is expected to lead to beneficiary participation in decision-making processes, which would then lead to beneficiary decisions influencing project activities and strategies.

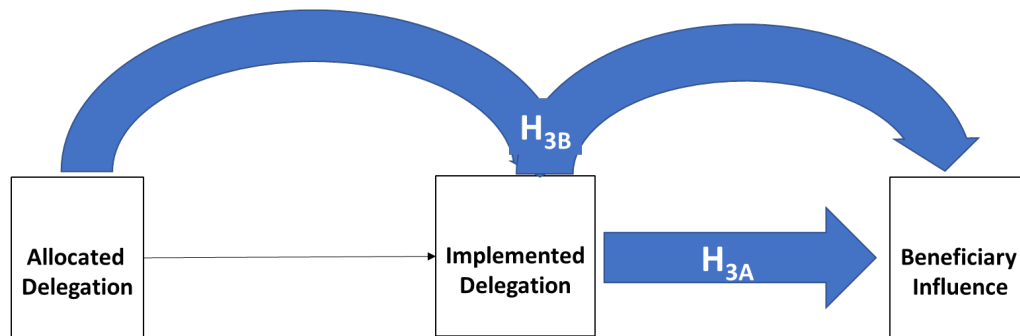


Figure 1.7. Hypotheses 3a, 3b

Once an activity captures beneficiary input, the project team must decide whether or not to incorporate it into project decisions and activities. Projects may only incorporate beneficiary input when it matches existing project funding constraints such as scope or reporting requirements, as Mosse (2001) suggests, or contractors may incorporate beneficiary input in a way changes their pre-existing plan the least:

The larger the change to the activity or contract [from as compared to the specified use of participation tools], the less likely it is to occur... [P]articipation activities influence contractor activities via incremental modifications to activities (most common), the addition of new services (occasional), or formal contract modifications (uncommon) [(Amirkhanyan et al 2018)]. This means that contractors are striving to make adjustments within the confines of their pre-existing contract, limiting the degree of influence citizens can have over activities (Harris 2020).

While existing work does not find that projects incorporate beneficiary decisions generated via implemented delegation, anecdotal evidence suggests it does happen to a certain extent. As such, as a starting point for analysis, I hypothesize that the occurrence of

implemented delegation (i.e. participation tools carried out as intended in allocated delegation) makes this incorporation more likely.

To test the interlinked nature of allocated delegation, implemented delegation, and the influence of beneficiary decisions, I posit two hypotheses that maintain the sequential nature of the framework. Their place in the broader theoretical framework is mapped below.

*H<sub>3A</sub>: Beneficiary influence for project activity selection and design is more likely when preceded by implemented delegation.*

*H<sub>3B</sub>: Allocated delegation leads to beneficiary influence over project activity selection and design through its influence on implemented delegation.*

#### 1.4.4 *Relationship 4: Beneficiary Influence Over Decision-Making Predicts Development Impacts*

When beneficiaries influence project activity selection and design, *and* if the decisions represent undistorted beneficiary preferences, then it should *increase the overall development impact by* building community-wide local ownership over the activities and the goals of the project, and tailoring the solutions and approaches to the local context. These hypotheses will not be tested in this dissertation, but are included for theoretical completeness.

##### 1.4.4.1 Beneficiary Influence on Project Decisions and Activities Increases Local Ownership and Appropriately Targets Activities to Local Contexts, if Beneficiary Preferences are not Distorted

Public management and international development literatures overlap to identify two mechanisms for how the delegation of decision-making power may influence policy outputs:

increased ownership and “buy-in” for policy decisions and activities, and locally-appropriate solutions.

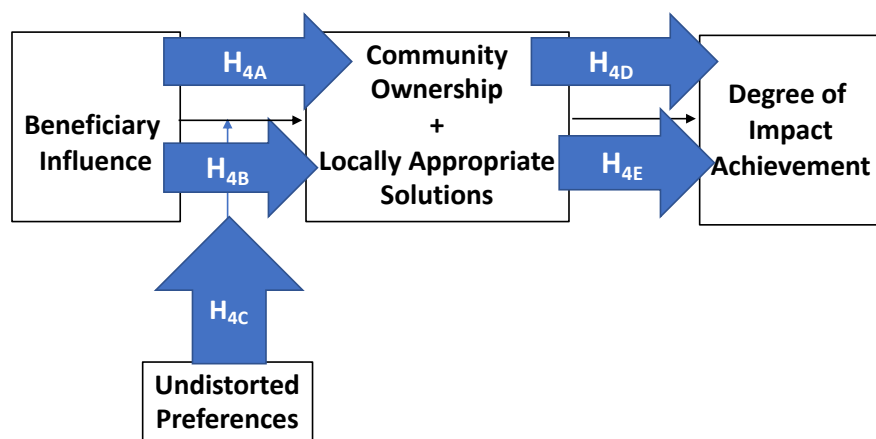


Figure 1.8. Hypotheses 4a, 4b, 4c, 4d, 4e

If participants are committed and have a sense of ownership, then participatory development is a more effective or efficient means of catering donor assistance to local contexts (Khwaja, 2004; Gibson et al., 2005; Heinrich et al., 2009; Nuttavuthisit et al., 2014). Public participation literature often operates on the assumption that participation generates local ownership over problems, solutions, and policy decisions. Creighton (2005) clarifies: “Participating in a decision gives people a sense of ownership for that decision, and once that decision has been made, they want to see it work. Not only is there political support for implementation, but groups and individuals may even enthusiastically assist in the efforts” (19). Higher levels of project incorporation of beneficiary input should lead to higher levels of local ownership.

*H<sub>4A</sub>: Beneficiary input that is incorporated into project activities increases local ownership.*

Beneficiary input also plays a critical role in tailoring activities to make them more appropriate to the local context (Mosse, 2005; Chambers, 1983). Much of the argument in support of participatory development points out that beneficiary decision-making corrects for an

important information problem in top-down development work—lack of knowledge about the local context. Scholars commonly base the failures of bilateral aid on approaches that are incompatible with local context (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). Local input can generate locally appropriate solutions, as opposed to applying blanket solutions to dramatically different contexts (World Bank, 1996; UNDP/CSOPP, 1997; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005).

Street-level bureaucracy and public participation literature bolster the relationship between delegated decision-making and the resulting increase in locally appropriate solutions. The individuals closest to the problem and implementation context better understand local challenges, precedent, power structures, opportunities, and resources, and are better-prepared to choose types of interventions that will succeed within the local context (Lipsky, 2010). Delegation of decision-making power can allow street-level bureaucrats the flexibility to address each individual's (in this case, each context's, or each community's) unique circumstance within a particular set of policy and regulatory constraints, and to offer more effective services (Lipsky 2010).

Public participation literature explains how the integration of systematic citizen participation can lead to locally appropriate outcomes by using local knowledge and being responsive to local variation and needs (Fung, 2004). I therefore posit that higher levels of project incorporation of beneficiary input should lead to more locally appropriate activities.

*H<sub>4B</sub>: Beneficiary input that is incorporated into project activities increases local appropriateness of activities.*

#### 1.4.4.2 Undistorted Beneficiary Preferences

The decisions which emerge from the implemented delegation process may be an accurate reflection of beneficiary preferences or they may be biased or distorted. Beneficiaries face incentives to express priorities that reflect those of the donor, to maximize their chances of receiving funding; in particular, the constrained small sub-grant award process limits the range of priorities beneficiaries feel able to propose, and information and reporting requirements may result in distorted preferences (Gibson et al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). Alternatively, local elites may capture the decision-making process and distort decisions according to their preferences, reducing community-wide ownership and skewing local appropriateness (Mansuri & Rao, 2013; Cooke et al., 2001; Fritzen, 2007).

However, a wide variety of participation tools are explicitly designed to overcome these challenges, extract undistorted preferences, develop mechanisms for consensus building, and communicate community-driven paths to donors (World Bank, 1996; Dummett et al., 2013; World Food Programme, n.d.; Slocum, 2003; USAID, n.d.). As a starting point for analysis, I make the assumption that implemented delegation processes reveal undistorted beneficiary preferences.

*H<sub>4C</sub>: Beneficiary decisions that emerge via implemented delegation reflect undistorted beneficiary preferences.*

#### 1.4.4.3 Local Ownership and Appropriately Targeted Activities Increase Development Impact

Increased ownership and local appropriateness is purported to lead to higher levels of efficiency, effectiveness, and sustainability (Wong, 2012; Avdeenko et al., 2014; World Bank, 1996; UNDP/CSOPP, 1997). When people have a sense of ownership and pride over the activity or

project, they work hard to ensure a positive outcome (Khwaja, 2004; Gibson et al., 2005; Heinrich et al., 2009; Nuttavuthisit et al., 2014; Tummers et al., 2012). They also create fewer obstacles to implementation and may actually get directly involved in furthering project goals and activities (Nabatchi et al., 2015; Creighton, 2005).

Beneficiary engagement in decision-making also improves development outcomes by allowing donor approaches to be tailored to the local context (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005; Lipsky, 2010). More locally appropriate solutions, or project activities compatible with the local customs, cultures, locally-constructed problems, goals, and priorities leads to the successful realization of development impacts (Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005; Lipsky, 2010).

*H<sub>4D</sub>: Higher levels of local ownership lead to higher levels of development impact.*

*H<sub>4E</sub>: Higher levels of local appropriateness lead to higher levels of development impact.*

## 1.5 A LOOK AHEAD: CHAPTERS 2-4

While foreign aid agencies and contractors face incentives to delegate decision-making power over project activity selection and design to beneficiaries, they operate within an aid delivery system embedded with bureaucratic incentives which we would expect to significantly limit the flexibility needed to do so. Existing literature on participatory development does not adequately address how the aid delivery structure may condition field-level experiences, and literature on foreign aid and bureaucratic service delivery has not been applied to participatory development and its particular context. To fill this gap, this study draws on agency theory in combination with literatures more commonly used to explain participatory development (international development management and participatory development literature) and local-level tailoring of policy (street-

level bureaucracy and public participation literature). The resulting theoretical framework seeks to explain the occurrence, nature, and implications of participatory development as delivered through foreign aid contracts, particularly within the environment of countervailing incentives that both promote and limit beneficiary decision-making.

The theoretical framework disaggregates beneficiary decision-making into key steps of the contracting process, defining allocated delegation as its contractual specifications about project activity selection and design, implemented delegation as the execution of the contract specifications, and beneficiary influence as its actual power over activity specification and design. Consideration of each discrete step can illuminate when and why delegation of decision-making power to beneficiaries may change, across projects and throughout the project lifecycle. This will contribute to an understanding of how the aid delivery system influences the occurrence and nature of participatory development approaches. The theoretical framework is comprised of testable hypotheses about when beneficiary participation is likely to occur in bilateral aid, and how it shapes project outcomes. Many of these hypotheses will be tested in subsequent chapters, while a portion are designated for future research, as outlined below.

Chapter 2 explores whether and how U.S. foreign aid contracts specify the delegation of decision-making power for beneficiaries. The study found that, despite significant bureaucratic constraints, USAID does in fact, specify the delegation of beneficiary decision-making power on foreign aid projects, with variation across extent and type. However, no projects delegate full decision-making power to define the goals of the project to beneficiaries. The chapter identifies a typology with respect to allocated delegation based on the degree of allocated delegation specified, who the beneficiary decision-makers are, and participation tools used to engage them. These results lay the groundwork for further empirical testing to understand the conditions under

which this delegation occurs (Chapter 3), and its impact on project implementation and beneficiary experiences (Chapter 4).

Chapter 3 explores Hypotheses 2a-2c, and determines the predictors of variation in donor specifications for beneficiary decision-making. The study tests the degree to which a set of variables measuring uncertainty, relationship strength, local capacity, and the type of change sought influence donors' specifications on a given foreign aid project, and finds these specifications within certain management constraints. The most important predictor of whether these donor specifications occur is the complexity of the problem (a critical component of uncertainty), suggesting that participatory development incentives are prioritized in the face of increasing complexity. However, different types of allocated delegation are predicted by different factors, including the degree of local capacity, how democratic the recipient government is, whether the contract exists within the context of a bilateral aid agreement, and whether the project seeks to change individual behavior or institutions.

Chapter 4 tests Hypotheses 2a-2c and 3a-3b, to explain how donor contract specifications translate to implementation of beneficiary decision-making, and, in turn, overall project activities. In particular, it asks how donors and contractors balance competing objectives of participation and accommodation of the aid delivery structure. Using a process-tracing approach to test interview data from fieldwork on eight foreign aid projects in Central America, the study shows that while beneficiary decision-making is prioritized during implementation to varying degrees, both across and within projects, it is conditioned by the aid delivery structure. Moving from contract specifications to implementation changes the degree of decision-making power set in the contract about half the time, but most often by adding decision-making authority for beneficiaries with high degrees of local power. When incorporating beneficiary decisions into

project activity design, contractors tend to limit this power according to 1) contract and institutional constraints from the aid delivery structure, 2) the degree of local power beneficiaries hold, and 3) the number of beneficiary preferences communicated relative to the project's ability to implement them.

Across all four chapters, this dissertation emphasizes the importance of understanding participatory development through the lens of the aid delivery structure, amid countervailing incentives that promote and limit delegation of decision-making power to beneficiaries. This approach will allow us to better understand the 'what,' 'why,' and 'how' of beneficiary participation in aid project decision-making. The perspective and results throughout the next three chapters will help illuminate the possibilities of participatory development delivered via aid contracts, and, in turn, yield insights on how practitioners can improve their participatory efforts.

## Chapter 2. USING CONTRACTS TO DELEGATE DECISION- MAKING POWER TO FOREIGN AID BENEFICIARIES

### 2.1 INTRODUCTION

Chapter 1 provided a framework for understanding whether, and to what extent, foreign aid agencies use contracts to delegate decision-making power to intended beneficiaries about which project activities should be implemented and how they should be designed. It defined allocated delegation (aid agency specifications for beneficiary decision-making, as stated in the project contract) as the critical first step that precedes both engaging beneficiaries in activities to make decisions about project activities, and in incorporating beneficiary decisions into activity design. Yet agency incentives to engage in beneficiary participation appear to be constrained by considerable countervailing incentives, embedded in the foreign aid delivery system, as discussed in Chapter 1. How aid agencies respond to these countervailing incentives and use contract specifications to delegate decision-making power to foreign aid project beneficiaries has not been well studied to date, limiting our ability to understand whether, if, and to what extent foreign aid beneficiaries are delegated decision-making power over project activity selection and design. This chapter examines the following research questions: to what extent do foreign aid donors delegate decision-making power to intended beneficiaries through contract specifications? How much decision-making power is delegated, and how often?, and What is the variation across projects of this decision-making delegation?

To understand the presence of and variation within allocated delegation, consider a 2015 foreign aid project in Zambia which was created to support and improve malaria interventions, strengthen federal government capacity to manage malaria policy implementation, and

strengthen local government capacity to analyze malaria data and make data-driven decisions. In this case, project “beneficiaries” were the pertinent Government of Zambia agencies and malaria-affected populations. The scope of work includes three instances of allocated delegation, spread across all of the project’s seven components. First, the contractor must support malaria interventions that align with explicit and pre-established priorities held by the Zambian government as laid out in the National Malaria Strategic Plan. Second, the contractor must collaborate with the Zambian government on project design and implementation, and to follow their priorities in making project decisions. Third, the project requires that small sub-grants be awarded to local beneficiary groups, such as organizations working on prevention campaigns, or community groups interested in improving access to treatment. Finally, the project must solicit proposals for grants that allow applicants to design activities to accomplish any of the multiple project goals. This allocated delegation is meant to guide contractor behavior during implementation.

Allocated delegation can also vary by how much decision-making power is delegated. Consider two different instances of allocated delegation: 1) asking beneficiaries to provide feedback to contractors on how to improve an activity, and 2) asking beneficiaries to design and propose an activity to accomplish a particular goal. In the first example, the scope of decision-making power is limited to tweaking an existing activity; in the second, the scope broadens, allowing beneficiaries to conceive of and include any activity, in any sector, that accomplishes the stated goal. The second instance clearly provides more decision-making power, representing a higher degree of allocated delegation.

This study focuses on U.S. bilateral aid contracts to help understand the presence of, extent of, and variation within allocated delegation. As explained in Chapter 1, USAID is one of

the most highly constrained and bureaucratic donors in the world, which should make allocated delegation relatively uncommon (Goertz, 2010). However, I find that allocated delegation occurs, often, and in specific patterns. To derive these patterns, I use cluster analysis to group projects by key similarities and differences with respect to allocated delegation, thereby inductively identifying three types of projects. The clusters generated by the analysis differ by the type of beneficiary receiving allocated delegation, the degree of allocated delegation specified, and how collaborative the designated participation tools are. I compare the results of various clustering specifications that are based on specifying different numbers of clusters, which results in three general types of projects: 1) those without allocated delegation, 2) those that feature government actors as the key beneficiary decision-makers, and 3) those that feature non-governmental actors as the key beneficiary decision-makers.

Chapter 1 explained that foreign aid contracts can be used to delegate decision-making power over project activity selection and design to beneficiaries (allocated delegation). As part of the detailed scope of work, contracts outline measurable targets for contractors and define the approach to be used to accomplish project goals. Each approach includes a set of key project components, which themselves are comprised of activities. If allocated delegation is specified in the contract, then we can observe specific language detailing which beneficiaries to engage in decision-making, which participation tools to engage them with, and what type of decision-making role the beneficiaries should play (for example consultative or idea-generating).

The theoretical framework in Chapter 1 hypothesizes that contractors implement allocated delegation as specified in the contract. This next step, implemented delegation, provides the opportunity for beneficiaries to contribute to the selection and design of project activities. These decisions, in turn, influence the activities that contractors then implement to

pursue project goals. To the extent that beneficiary preferences are accurately shared and incorporated into project activities, these resulting activities are theorized to represent beneficiary preferences collected in implemented delegation. Chapter 1 outlines the theoretical hypothesis that project activities that reflect beneficiary preferences lead to higher degrees of development impact as compared to project activities generated without beneficiary engagement in decision-making.

As discussed more fully in Chapter 1, three types of incentives may limit allocated delegation, including those that 1) guarantee goal alignment between donor and contractor, 2) require fast implementation and results, and 3) ensure accountability and responsible use of funds, such as administrative procedures and information flow requirements (Gibson et al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005; Cooke et al., 2001). These incentives from the aid delivery structure are intended to maximize aid agency control over project implementation. As a result, they may limit the allocated delegation of decision-making power. In spite of these, however, we see evidence that allocated delegation and beneficiary engagement in decision-making on aid projects are occurring (in addition to the Zambia project above, see, for example, Mansuri et al., 2013; Nkonya et al., 2010; Labonne et al., 2011; Fritzen, 2007; Khwaja, 2009; Beard et al., 2006; Ahmad et al., 2014-a, b; Russ et al., 2013; Nkonya et al., 2012; Nuttavuthisit et al., 2014). This chapter examines whether and how donors specify beneficiary decision-making delegation in foreign aid contracts in the context of these countervailing incentives in support of and limiting beneficiary participation.

This chapter serves three purposes. First, it sets out a methodology for measuring the key variable in the proposed frameworks outlined in Chapter 1: allocated delegation. Previous approaches to measuring participation are designed to measure the observed level or type of

participation after it occurs. This means that the approaches are based on observation and documentation of events, and not contract documents written prior to the implementation of participation tools. In contrast, this approach draws on public participation literature to develop a new measurement approach appropriate for this project that is tailored to measure contract specifications for intended delegation of decision-making power. This approach is clearly operationalizable in the context of foreign aid and participatory development, and captures the degree or scope of decision-making power allotted to beneficiaries in increasing increments.

Second, this chapter explores whether foreign aid donors delegate decision-making power to project beneficiaries through foreign aid contracts, which I refer to as allocated delegation. In fact, this study finds that approximately three quarters of U.S. bilateral aid projects use contracts to specify the delegation of decision-making power to foreign aid beneficiaries. The degree of delegated power varies both across and within projects, but ranges from no allocated delegation to high levels of delegation. However, no projects are delegated the highest level of allocated delegation, which fully delegates all project activity decisions to beneficiaries. This means that foreign aid contracts include specifications to delegate decision-making power to beneficiaries often and in important ways, but that this decision-making power is always constrained by, at least, pre-determined development goals that the contract seeks to achieve. In other words, all project activities must, at a minimum, be designed to further a predetermined development goals, which constrains the scope of beneficiary decisions.

Third, this chapter describes the variation within allocated delegation using cluster analysis to inductively group projects into three types with respect to allocated delegation. Results show that, when allocated delegation occurs, government beneficiaries and non-government beneficiaries experience different types of allocated delegation. This analysis finds

three types of projects with respect to allocated delegation: 1) no allocated delegation, 2) allocated delegation with government actors as the primary beneficiary, moderate degrees of allocated delegation, and specification of more collaborative participation tools, and 3) allocated delegation with non-government actors as the primary beneficiary, moderate to high degrees of allocated delegation, and specification of less collaborative participation tools.

The remainder of this chapter discusses the methodology used to identify the presence and extent of allocated delegation as well as the variation within allocated delegation across projects, including a review of existing measurement approaches for public participation alongside the modified approach used herein, as well as data and strategies for analyzing the data. It continues to explore the presence and range of allocated delegation, using an inductive approach to identify and track patterns across projects. The conclusion considers the implications of these results for delegated decision-making across different types of allocated delegation.

## 2.2 PREVIOUS APPROACHES TO CATEGORIZING PARTICIPATION

Previous approaches to measuring participation are designed to measure the level or type of participation after it occurs, and not in contract documents written prior to these events. In contrast, I develop a measurement approach for allocated delegation that can be gathered from contract documents written prior to the delegation of decision-making power to beneficiaries.

This study builds on existing approaches to public participation measurement and folds in project planning tools from the foreign aid context, combining existing academic conceptualizations of participation (Cornwall, 2008; Fung, 2004; International Association for Public Participation, 2014; Nabatchi et al., 2014) with USAID's strategic planning tool: the logical framework

(LogFrame). In doing so, I merge existing knowledge and practical project management tools, creating a measurement approach consistent with how aid projects are implemented.

While the theoretical framework presented in Chapter 1 can help us understand when decision-making power is delegated to agents or beneficiaries, neither the framework nor the literature it is based on describe the nature of delegated decision-making power. In particular, they do not describe the key characteristics of sources of variation in delegated decision-making power. The public participation literature can help fill this gap as it specifies types of participation tools used and offers typologies. These typologies are useful in developing a new measurement approach. Most forms of public participation allow for some decision-making power to be delegated to citizens; scholars point to countless cases of public participation at different points in the policy-making cycle, achieved through various engagement tools (Wang, 2001; DeSantis et al., 2004; Yang et al., 2005; Lukensmeyer, 2007; LeRoux, 2009; Amirkhanyan et al., 2019, Amirkhanyan et al., 2018; Nabatchi et al., 2015; Creighton, 2005; Fung, 2006).

Authors categorize public participation activities into categories based on the activity's goals for citizen engagement (Nabatchi et al., 2015; Nabatchi, 2012; International Association for Participation, 2014), type of participant and level of authority (Fung, 2004, Fung, 2006, Nabatchi, 2012), the extent to which governments intend for participants to influence policy (Arnstein, 1969), direction of information flow and communication mode (Rowe et al., 2005; Nabatchi et al., 2015; Nabatchi, 2012; Fung, 2006), or the depth vs. breadth of the participation tool (Farrington et al., 1993), among others. These measurement approaches form an effective springboard for developing an approach to measuring contract specifications for the delegation of decision-making power. Of particular relevance here are categorizations based on the goals of

citizen engagement, degree of citizen decision-making power, and type of participant, shown in Table 2.1 below.

Goals of Public Participation Tools	Degree of Citizen Decision-Making Power	Modes of Communication and Decision-Making		
<ul style="list-style-type: none"> <li>• <b>Inform</b> the public of issues, policies, etc.</li> <li>• <b>Collect data</b> about citizen concerns, preferences, etc.</li> <li>• The public should <b>generate new ideas</b> for problems and solutions</li> <li>• <b>Obtain feedback</b> from the public on policies, proposed solutions, etc.</li> <li>• <b>Generate consensus</b> for proposals or decisions</li> </ul> <p>- abbreviated from Nabatchi et al., 2014, 17</p>	<ul style="list-style-type: none"> <li>• <b>Inform</b> the public</li> <li>• <b>Consult</b> the public</li> <li>• <b>Involve</b> the public throughout the decision-making process in expressing their concerns and priorities</li> <li>• <b>Collaborate</b> with the public throughout the decision-making process to develop policy options and understand preferences</li> <li>• <b>Empower</b> the public to make the ultimate decision</li> </ul> <p>- abbreviated from IAP2, 2014</p>	<ul style="list-style-type: none"> <li>• Listen as a spectator</li> <li>• Express preferences</li> <li>• Develop preferences</li> <li>• Aggregate and bargain</li> <li>• Deliberate and negotiate</li> <li>• Deploy technique and expertise</li> </ul> <p>- From Fung, 2006, 69</p>		
<b>Inclusivity of Participation Approach: Type of Participant</b>				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ul style="list-style-type: none"> <li>• Diffuse Public Sphere</li> <li>• Open, Self-Selection</li> <li>• Open, Targeted Recruiting</li> <li>• Random Selection</li> </ul> </td> <td style="width: 50%; border: none;"> <ul style="list-style-type: none"> <li>• Lay Stakeholders</li> <li>• Professional Stakeholders</li> <li>• Elected Representatives</li> <li>• Expert Administrators</li> </ul> </td> </tr> </table> <p style="text-align: center;">- From Fung, 2006, 68</p>			<ul style="list-style-type: none"> <li>• Diffuse Public Sphere</li> <li>• Open, Self-Selection</li> <li>• Open, Targeted Recruiting</li> <li>• Random Selection</li> </ul>	<ul style="list-style-type: none"> <li>• Lay Stakeholders</li> <li>• Professional Stakeholders</li> <li>• Elected Representatives</li> <li>• Expert Administrators</li> </ul>
<ul style="list-style-type: none"> <li>• Diffuse Public Sphere</li> <li>• Open, Self-Selection</li> <li>• Open, Targeted Recruiting</li> <li>• Random Selection</li> </ul>	<ul style="list-style-type: none"> <li>• Lay Stakeholders</li> <li>• Professional Stakeholders</li> <li>• Elected Representatives</li> <li>• Expert Administrators</li> </ul>			

Table 2.1 Existing approaches to categorizing citizen participation

The three approaches to categorizing public participation tools are particularly helpful in generating an approach to measuring allocated delegation in contracts: by goal, degree of decision-making power, and modes of communication (the top row in Table 2.1). Nabatchi et al.'s (2014) categories of participation goals has important overlaps with the IAP2 measure (2014) of the degree of decision-making power and Fung's (2006) approach to measuring the modes of communication and decision-making. All three include categories of informing the

public, gathering information from the public, engaging the public in generating new ideas, and engaging the public to make decisions. These categories will be tailored to the context of U.S. foreign aid and contracting specifications in the approach used in this project.

Fung's (2006) approach also identifies the degree of inclusivity of public participation based on which type of actor is selected for participation<sup>15</sup>. Fung's categories range from an open approach that includes all citizens, to an approach that engages only relevant stakeholders, to a targeted approach that includes elected representatives and expert administrators only. Elected representatives are "competitive[ly] elect[ed]... *professional politicians* who supposedly represent our interests" (Fung, 2006, 68). The underlying assumption is that these actors are appropriate participants because they will contribute to participation activities in ways that reflect their constituents' interests and preferences. Expert administrators are the public sector bureaucrats who have technical expertise (Ibid). While they are not publicly elected, these bureaucrats work for agencies with an explicit mission statement of generating public good, making them a theoretically apt and expert proxy for expressing preferences that reflect the public good. This approach to characterizing participation tools is particularly relevant for foreign aid projects, where host country government beneficiaries are often the recipients of allocated delegation. Instead of integrating the type of beneficiary into the proposed measurement approach for allocated delegation (which focuses closely on just the *degree* of decision-making power delegated), I incorporate the type of beneficiary when exploring the

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<sup>15</sup> Note that Fung's 2006 article also includes an additional dimension: the extent of authority and power, which focuses on the extent to which participants expect to have an influence over decisions.

variation in allocated delegation across projects, and in particular, whether the beneficiary decision-maker is a government actor or a non-government actor.<sup>16</sup>

## 2.3 METHODOLOGY

### 2.3.1 *Measuring Allocated Delegation*

Beneficiaries can be delegated different degrees of decision-making power over aid activities, which can be organized in increasing levels of decision-making power. This chapter considers whether contracts specify engagement in *any* allocated delegation, as well as *how much* allocated delegation is specified, and develops a measurement approach to capture allocated delegation from project contract specifications.

To be effective for this analysis, any measurement approach must be able to identify the degree of allocated delegation that is specified from contract language. As discussed in Chapter 1, contracts include specifications for delegation of decision-making power to beneficiaries (allocated delegation) in the scope of work. In other words, the contract designates activities and subcomponents, either completely unspecified or partly unspecified, to be subject to beneficiary decision-making during contract implementation. For example, contracts may fully specify all activities and leave no opportunity for allocated delegation. Alternatively, contracts may specify a type of activity, and designate that the details of that activity be determined in consultation with beneficiaries. Contracts may also set a particular goal and require that contractors gather beneficiary proposals for activities to accomplish that goal with grant funding. To capture the scope of allocated delegation in a contract, the approach should 1) measure degrees of decision-

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<sup>16</sup> This distinction is appropriate given Fung's placement of government actors as the least inclusive type of participants. Further, reviewing contract scopes of work revealed that allocated delegation is typically specified for either government actors, non-government actors or both.

making power, 2) be applicable to a context of foreign aid projects, 3) be identifiable from a contract, and 4) be measurable before the contractor delegates decision-making power. The following section considers how existing approaches measure the degree of delegated decision-making power as a starting-point for the approach developed in this chapter.

This study draws on these previous approaches to measuring participation, but tailors them to foreign aid contracts. It generates an allocated delegation scale that captures the occurrence and degree of delegated decision-making power in a scale of ordered categories, ranging from no delegated decision-making power, to informing beneficiaries of upcoming activities and offering the option to opt in or out (the least amount of decision-making power delegated on an aid project), to full beneficiary delegation (beneficiaries are given free rein to make decisions about any activity, goal, or strategic aid priority), with a number of categories in between, similarly to the approaches presented in Table 2.2. Table 2.2 displays the scale and provides examples of its operationalization at each level. Figure 2.1 shows how it builds on existing academic measures, demonstrating the conceptual overlaps between existing measurement approaches and each category of allocated delegation.

<i>Allocated Delegation Scale</i>	None	Inform Beneficiaries	Consult Beneficiaries	Beneficiaries Contribute to Specific Activities	Beneficiaries Determine Type of Activity (and Specific Activities)	Beneficiaries Determine Sector of Activity (and Type and Specific)	Full Beneficiary Delegation
Arnstein	Non-Participation	Tokenism					Citizen Power
Farrington and Bebbington					Depth		*not pictured: Breadth
Nabatchi		Inform	Obtain Feedback	Collect Generate Generate Consensus			
Fung: Authority and Power Dimension	Individual Education		Communicative Influence Advise and Consult		Cogovern		*not pictured: Type of Participants Dimension
Fung: Communication and Decision Mode Dimension	Listen as a Spectator Technical Expertise		Develop Preferences Express Preferences		Direct Authority Aggregate and Bargain Deliberate and Negotiate		
IAP2		Inform	Consult		Involve Collaborate Empower		

Figure 2.1. The Participation Scale and Other Key Participation Measures

### 2.3.1.1 Using LogFrameworks to Ground the Allocated Delegation Scale

In order to make the scale compatible with the foreign aid and contracting contexts, one more building block is necessary: LogFrameworks. As the key tool used by USAID to link development goals to the scope of work in a contract, LogFrameworks can help us understand where and how donor agencies specify decision-making power for beneficiaries. As discussed in Chapter 1, USAID uses LogFrames to identify which activities to implement to successfully further their overall goals, by working backwards from their desired end goal. Project designers begin with an overall development goal, then ask what sorts of sub-goals, or intermediate results, would be necessary to achieve them. For each intermediate result, they ask what sorts of activities need to occur to achieve the intermediate results. They continue to work downwards until they generate tangible goals and a simple list of activities to accomplish them. The more specific these actions are at the contract level, the more a donor ensures that activities align with project goals. Leaving flexibility for beneficiary decision-making during implementation (allocated delegation) ranks higher on the scale.

Tying the categories and their definitions to specific locations within the LogFrame (Development Goal, Intermediate Result (IR), Sub-IR, Activity) provides conceptual clarity for assigning instances of allocated delegation to a category in the scale. Figure 2.2 shows how the LogFrame approach of working backwards from a goal maps onto the allocated delegation scale, explicitly tying measurement of the degree of decision-making power delegated to project implementation planning tools. This allows for a measurement approach more compatible with foreign aid implementation, particularly within the upper spectrum of decision-making power delegation. Figure 2.3 represents this comparison, showing how allocated delegation to beneficiaries at each level of definition in the LogFramework (for example, specifying which activity to implement to accomplish a sub-IR, and designing the activity) relates to a particular

category of allocated delegation. By mapping the LogFramework to the allocated delegation scale, the approach clearly reflects foreign aid delivery, and operationalization of each category becomes clearer and more replicable.

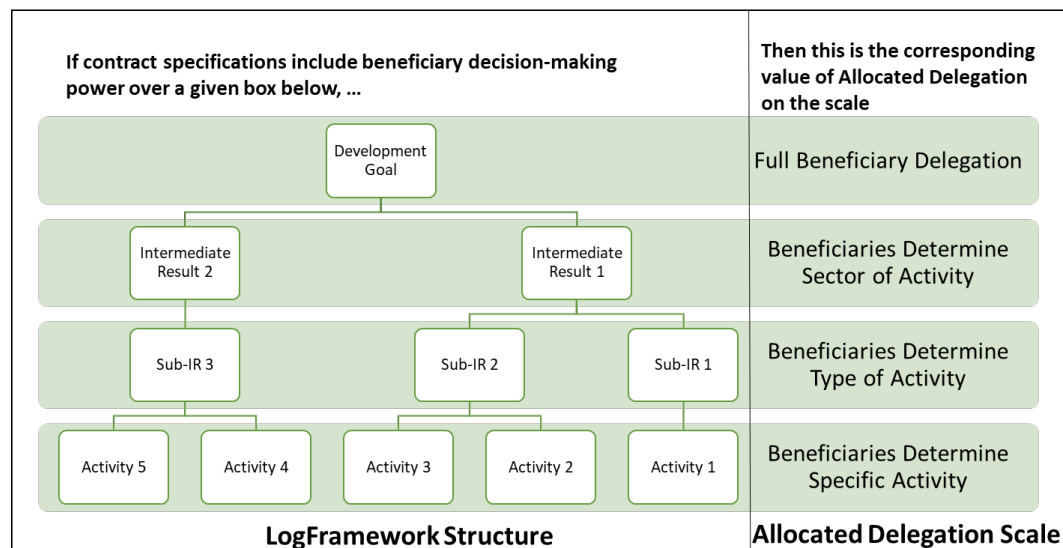


Figure 2.2. The Participation Scale and the LogFramework

### 2.3.1.2 A Scale of Allocated Delegation

The allocated delegation scale is comprised of 6 categories of delegation, ranging from informing beneficiaries of activities (letting them opt in or out of participating), to full beneficiary delegation (beneficiaries make decisions on project activities and goals without any constraint or limitation). Table 2.2 defines each category and provides an empirical example. Note the empirical analysis described below shows that the category of Full Beneficiary Delegation does not occur within USAID contracts. This category is included in the scale for theoretical completeness, and its absence is not surprising since aid agencies are unlikely to completely remove themselves from the equation and give away full control. As a result, there are five empirically observable categories of allocated delegation with increasing degrees of decision-making power in the scale.

Table 2.2. Measuring Allocated Delegation

Allocated delegation Category	Description	Example
None	No Allocated delegation	<i>Contractor identifies a farmers' cooperative and provides them with pre-determined technical assistance to improve productivity in post-harvest handling.</i>
<b>Inform Beneficiaries</b>	<u>Beneficiaries are informed:</u> contractor informs beneficiaries of activities, but does not seek beneficiary response or reaction. Beneficiaries can choose to opt in or out as a result of this information.	<i>Contractor lets farmers' cooperatives know they are providing technical assistance in post-harvest handling productivity and the cooperatives can opt in or out.</i>
<b>Consult Beneficiaries</b>	<u>Beneficiaries are consulted:</u> contractor presents a set of intended activities to beneficiaries and asks them to provide input for adjustments to make it more appropriate or effective given their needs and context.	<i>Contractor designs technical assistance activity in post-harvest handling and asks farmers' cooperatives for input on how to improve the content of the training to make it more appropriate/effective for them.</i>
<b>Beneficiaries Originate Ideas for Specific Activities</b>	<u>Beneficiaries originate ideas for specific activities:</u> contractor asks beneficiaries to propose ideas for local needs, target areas, and activities. This is often done through asking for individuals to express their needs and priorities in a 'needs assessment'; or through asking beneficiaries to submit grant applications proposing specific activities to accomplish a defined goal.	<i>Contractor visits farmers' cooperatives and asks them what type of support would be useful to improve productivity in post-harvest handling. Contractor puts out a request for beneficiaries to propose specific activities to improve productivity in post-harvest handling to then implement with a small grant.</i>
<b>Beneficiaries Select the Type of Activity</b>	<u>Beneficiaries select the type of activity and originate ideas for specific activities:</u> contractor asks beneficiaries to submit grant applications proposing specific activities within a particular sector, leaving open the type of activity.	<i>Contractor puts out a request for beneficiaries to propose specific activities to improve agricultural productivity to then implement with a small grant.</i>
<b>Beneficiaries Select the Sector of Activity</b>	<u>Beneficiaries select the sector and type of activity, and originate ideas for specific activities:</u> contractor asks beneficiaries to submit grant applications proposing specific activities, giving beneficiaries a choice between multiple sectors the project is working in.	<i>Contractor puts out a request for beneficiaries to propose specific activities to improve to either improve agricultural productivity or access to nutritious foods to then implement with a small grant (under either Agriculture or Health sectors, but both within the broad project mandate of improving food security).</i>
<b>Full Beneficiary Delegation</b>	<u>Beneficiaries are given free rein to propose any activity without constraint or limitation such as sector, development goal or strategic aid priority.</u>	<i>No empirical evidence to provide an example.</i>

A value of allocated delegation was assigned to a contract based on contract language specifying how contractors should delegate decision-making power. (The coding process is discussed in Section 2.2.2.) Participation tools are the mechanisms to delegate decision-making power to beneficiaries and collect beneficiary decisions, such as consultation or needs assessments. At times, the participation tool was sufficient to categorize an instance of allocated delegation. In other cases, further study of the contract was needed. The most commonly identified tools and how they delegate decision-making power are discussed below, and shown in Table 2.3 along with the category(ies) of allocated delegation they pertain to.

#### *Tools That Exclude Beneficiaries from Decision-Making Power about Project Activities*

Projects commonly inform beneficiaries of project activities, either by explicitly inviting them to attend or notifying them of upcoming opportunities, thereby giving them the chance to opt in or out. By providing beneficiaries with only the decision to opt in or out, these participation tools do not have the potential to influence project activity selection or design.

#### *Classic Participatory Development Toolkit*

The classic participatory development toolkits center on community deliberation and decision-making (Clayton et al., 1997; Lundy et al., 1997; Slocum, 2003; USAID, 1998; World Bank, 1996), needs assessments and grants. These tools reflect the common conceptualization of participatory development as a grassroots, community-level approach to problem identification and solving (Mansuri et al., 2013; Lundy et al., 1997; Slocum, 2003; among others). Community deliberation and decision-making includes tools that identify problems and potential interventions, such as Visioning, where participants are asked to imagine what they would like their community to look like in 5 years, and then develop steps to accomplishing this vision. Other tools help communities make decisions or develop consensus, such as dotmocracy, where

participants vote for preferred interventions using circular stickers. Contracts also occasionally specify that project teams should respond to relevant community requests for particular assistance.

Needs assessments engage beneficiaries using interviews, surveys and focus groups to collect information about beneficiary perceptions of local challenges, needs, constraints, potential project interventions, and preferences, in addition to information about relevant contextual knowledge. Needs assessments allow beneficiaries to serve as the source of ideas, whether they are defining their own needs or suggesting project activities. After aggregating this information across beneficiaries, projects select activities to accomplish contract goals, merging their own ideas with collected input and with their project targets. Unlike other approaches, needs assessments do not inherently create pressure for project teams to select particular approaches. Beneficiaries engaged via needs assessments generally do not have leverage to ensure their preferences are accommodated.

Sub-grant solicitations also gather beneficiary ideas for responding to local problems. Projects issue a Request for Applications (RFA) with specific guidance on the goals to be accomplished. They RFA may also specify the sector of work, and category or type of activity that would be appropriate for the RFA. (This variation in how specified the RFA is causes the tool to be associated with multiple categories in the allocated delegation scale.) Beneficiaries then submit their proposals listing approaches and specific activities to accomplish the established goals. The project team selects from among the applicants and awards small grants to local organizations to implement their proposed activities. In selecting which organizations to fund, project teams maintain the final decision-making power. Projects can also ask beneficiaries to make changes technical and/or budgetary changes to their proposals, allowing them more

power over the process. Beneficiaries whose proposals are not selected have little recourse to ensure their preferences are accommodated.

### Other Tools

Consultation is a key strategy for delegating decision-making power on contracts. In consultation, projects propose ideas to beneficiaries and request feedback on how to improve the approach. The key difference between the categories of Consult Beneficiaries and Beneficiaries Contribute to Specific Activities is the source of the idea. With consultation, the project team originates the idea; with contribution to specific activities, the beneficiary originates the idea. Similar to the previous tools, project teams collect beneficiary input on their proposed activities, and then make their decisions about activity specification independently. Consultation may be deliberative or it may be more superficial such as vetting. Different types of beneficiaries likely have different degrees of leverage over project teams to encourage accommodation of their preferences. In some cases, beneficiaries who are engaged to vet activities may have blocking power and prevent the activity from being implemented.

Joint priority-setting and activity selection allows for co-determination of problems, priorities, and interventions. These tools are specified only with recipient government beneficiaries and likely aim to foster collaboration between the project and government, as well as align project activities with pre-existing government priorities, plans, and work. Contracts specify a wide range of participation tools in this category: following a particular national plan, requiring particular government actors to select sites for project implementation, jointly determining priority areas within overall project goals, or jointly creating detailed project workplans, among others. This collaborative approach calls for beneficiaries to sit down with project teams to engage in joint decision-making. These more collaborative participation tools

bring beneficiaries in closer proximity to the final decision-making process which may increase their influence over the decisions made. Further, more powerful local actors may have blocking power over project activities, which increases their leverage over the decision-making process.

Table 2.3. Common Tools by Allocated Delegation Category

<b>Allocated Delegation Category</b>	<b>Common Participation Tools</b>
<b>None</b>	<ul style="list-style-type: none"> <li>• NA</li> </ul>
<b>Inform Beneficiaries</b>	<ul style="list-style-type: none"> <li>• Invitation to participate in activities</li> <li>• Notification/announcement of activities</li> </ul>
<b>Consult Beneficiaries</b>	<ul style="list-style-type: none"> <li>• Vetting ideas (requesting a green light, or minor tweaks)</li> <li>• Deliberative consultation (presenting initial ideas and soliciting in-depth feedback and collaboration)</li> </ul>
<b>Beneficiaries Originate Ideas for Specific Activities</b>	<ul style="list-style-type: none"> <li>• Community deliberation tools to identify needs, generate activity ideas and/or select activities</li> <li>• Needs assessments</li> <li>• Sub-grant solicitations (requesting proposals for activities from beneficiary groups)</li> <li>• Joint priority setting and/or following pre-established formal beneficiary plans</li> <li>• Jointly selecting and designing activity</li> <li>• Selecting sites for activity implementation</li> </ul>
<b>Beneficiaries Select the Type of Activity</b>	<ul style="list-style-type: none"> <li>• Community deliberation tools to generate activity ideas and select activities</li> <li>• Sub-grant solicitations</li> </ul>
<b>Beneficiaries Select the Sector of Activity</b>	<ul style="list-style-type: none"> <li>• Community deliberation tools to generate activity ideas and select activities</li> <li>• Sub-grant solicitations</li> </ul>
<b>Full Beneficiary Delegation</b>	<ul style="list-style-type: none"> <li>• NA</li> </ul>

### 2.3.2 *Data*

This chapter presents data on foreign aid projects and allocated delegation to explore questions about its presence and extent and to inductively understand its variation across projects in order to test the theoretical model presented in Chapter 1. Under what circumstances does allocated

delegation occur? How does allocated delegation impact implemented delegation and beneficiary influence over project activities?

Recall from Chapter 1 that I focus on projects from the U.S. bilateral aid agency (USAID), which accounts for approximately a quarter of bilateral aid distributed globally each year (AidData, 2015), yielding a large number of annual aid projects in every applicable sector. USAID is one of the most highly constrained and bureaucratic donors in the world, a “difficult case” (Goertz, 2010), in which we would expect low levels of allocated delegation.

Data are gathered from Request for Proposal (RFP) documents, the formal solicitations published by USAID for each contract containing specific language about donor expectations and incentives for contractor activities, including allocated delegation. Once a contractor is selected, the RFP document (along with the accepted contractor proposal) becomes the formal, signed contract. These RFPs become guiding documents; they set the expectations, contract specifications, and structure from which USAID contract managers and implementing partners adapt as necessary. As such, RFPs are an appropriate source from which to measure allocated delegation.

The RFPs were identified from solicitation records on the Federal Business Opportunities (FBO) website, and downloaded from FBO and GovTribe. I conducted a database search of all solicitations from the U.S. Agency for International Development from 2008 (the first year for which full electronic records are available) through 2016 (data were collected in 2017).<sup>17</sup> The dataset has an N of 269 observations across 2008-2016. RFPs were excluded if they were not for foreign aid projects, if they were for mission (i.e. USAID’s field office in each country) operations or services, or if they were for task orders issued under Indefinite Delivery/Indefinite

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<sup>17</sup> Note that data on USAID grants from this same period have been collected as well and will be analyzed in subsequent work.

Quantity contracts (IDIQs)<sup>18</sup>. I compared RFPs for task orders to those for stand-alone projects, and determined that allocated delegation is orthogonal to whether a contract is a task order or not. This was later supported in conversations with aid implementation staff on both types of projects about their experiences with allocated delegation.

Data were gathered using a document-coding approach via a 2-person consensus model to ensure higher levels of replicability and accuracy. The coding process involved two independent coders reviewing RFP documentation and assigning values to all variables as laid out in a codebook. The two coders then came together with a moderator (me) to discuss discrepancies; final decisions were made when both coders had reached consensus via discussion, provision of clear positive evidence, and reliance on decision-rules from a guiding codebook. Degrees of allocated delegation and other variables were coded based on explicit language in the RFP stating that beneficiaries will have a particular degree of decision-making power. This conservative approach, a high threshold for positive and explicit evidence, likely codes for the presence of each variable less often than it truly appears. In this case, the bias would be towards underrepresenting allocated delegation. However, if we still see positive evidence and variation of allocated delegation, we can be more certain of the trend's accurate occurrence in the data. Since the coding process followed a consensus approach based on iteration and discussion to jointly determine the correct coding, intercoder reliability scores were not calculated. The codebook is attached in Appendix A.

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<sup>18</sup> IDIQs are contracting vehicles utilized by USAID pre-identify contractors to provide specific future services that unknown at the time of award. As the services become apparent, USAID issues task orders to the limited set of IDIQ contract awardees, with a streamlined procurement process. Only the IDIQ RFP is publicly available; therefore these are included in the dataset instead of Task Order RFPs, which are not publicly available. For more information on IDIQs, visit: <https://www.usaid.gov/sites/default/files/documents/1868/302mbi.pdf>.

Projects were coded for each instance of allocated delegation on the project by evaluating specified participation tools, descriptions, context, and other relevant language. Most projects were coded as having more than one category in the allocated delegation scale. However, the unit of analysis for the dataset is the project. Each project is composed of multiple components, each of which comprise sets of activities. Allocated delegation may occur within each component in different ways. Each project is typically coded as having allocated delegation on multiple components, and in different categories. To account for this within-case variation, I create two variables to measure allocated delegation: 1) whether or not delegation occurs in each of the allocated delegation scale categories, and 2) the highest category of decision-making delegation coded on each project. Since this chapter treats the project as a homogenous unit, this variable captures the maximum amount of decision-making power that USAID is willing to support on each project in any of the project components. (In Chapter 4, I investigate the assumption that projects are, in fact, homogenous, and instead assesses both allocated delegation and implemented delegation by component instead of by project.)

### 2.3.3 *Data Analysis*

This study takes two approaches to analyzing the data: 1) observing descriptive patterns to determine whether allocated delegation occurs on USAID projects and to what extent, and 2) conducting an inductive cluster analysis to explore the variation in allocated delegation.

#### 2.3.3.1 Determining the Presence and Extent of Allocated Delegation

I will assess whether and to what extent allocated delegation occurs on foreign aid projects by looking at descriptive patterns in the data with respect to the allocated delegation scale. To assess whether allocated delegation occurs on a contract, I create a binary variable, setting the allocated

delegation scale categories of None and Inform Beneficiaries to NO, and all other categories to YES. This approach does not consider the participation tools used in the Inform category as delegation of decision-making power (Creighton, 2005). I use this variable to determine whether allocated delegation exists across projects. To explore the extent to which allocated delegation occurs across projects, I track the frequency of each allocated delegation category and the maximum amount of allocated delegation that is specified per project (highest degree of allocated delegation as per the scale). These two variables demonstrate the occurrence of allocated delegation that is specified in the contract within a context of countervailing incentives facing the contract writer.

#### 2.3.3.2 Exploring the Variation within Allocated Delegation

This study explores patterns in the data using an inductive approach: cluster analysis. It clusters projects based on a set of variables that describe allocated delegation on a project, and used these variables, as well as others external to the statistical analysis, to describe the projects in each cluster.

Cluster analysis also allows for the classification of groups of projects based on similarities (within groups) and differences (between groups). The method is particularly well-suited to identifying patterns of commonality among observations with multiple relevant descriptive variables. This makes cluster analysis useful in grouping foreign aid projects, since each project is coded based on a set of key characteristics of delegated decision-making power, in addition to values of allocated delegation. The resulting clusters are then described by the average profiles of the cluster members, using both included and external variables (Bartholomew et al., 2011). The cluster descriptions will provide insight into the nature of allocated delegation across projects.

I used an inductive approach to cluster analysis, exploring patterns in the data as opposed to testing a particular theoretical hypothesis given that existing literature does not discuss clear patterns or categories of how government contracts delegate decision-making power to citizens or beneficiaries. A more inductive approach will identify patterns which should be subject to future testing with different data.

Atheoretical cluster analyses typically aggregate to generate clusters based on commonalities<sup>19</sup> (Bartholomew et al., 2011, Everitt et al., 2011)<sup>20</sup>. This type of cluster analysis begins by assessing similarities among each observation (across a set of variables) and merging those observations that are most similar. The key specification in this type of analysis is how to measure how similar the observations (or clusters) are to each other, termed similarity or dissimilarity measures. When comparing observations on continuous variables, Euclidean distance is calculated. When comparing categorical data, observations are said to have matching values across relevant variables, or mismatching values. When using mixed types of data (categorical and continuous), an additional step must be taken to convert all similarity/dissimilarity measures to the same metric. Gowers general similarity measure converts the dissimilarity matrices generated by comparing observations using categorical variables into Euclidean distances. The transformed categorical dissimilarity matrices can then be combined with the Euclidean distance measurements generated with continuous variables (Everitt et al., 2011). Since this project uses both categorical and continuous variables in the cluster analysis,

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<sup>19</sup> Alternative to the agglomerative hierarchical methods discussed here, divisive hierarchical methods begin by treating all observations in one group and dividing the group into smaller groups by which are the most different.

<sup>20</sup> Note that hierarchical agglomerative methods do not assume all observations are independent, unlike other similar approaches such as Latent Class Analysis, or other clustering approaches that instead use data with multiple or repeated events (i.e. longitudinal data), which this study does not.

the Gowers general similarity measure is an appropriate choice for measuring similarities (or ‘distances’) between observations.

Once the most similar observations are clustered, the process repeats itself, again merging those that are most similar. This process repeats until the number of clusters remaining equals the threshold set (i.e. if you want to have five clusters, you set the threshold to five). A dendrogram visually demonstrates this process, showing how observations (or clusters) join together during the clustering process. The diagram shows which observations are joined together at each iterative stage of clustering until the desired number of clusters is reached, then displays the observations in each final cluster.

I set a threshold of 5 for this study to account for the allocated delegation scale. The scale has 7 categories (one without allocated delegation, and six with allocated delegation). However, the empirical analysis showed that one category (Full Beneficiary Delegation) has no observations; therefore, we would expect to see no clusters for this category. Further, simply Informing beneficiaries does not constitute delegation of decision-making power over project activity selection and design; as a result, I would expect projects that only delegate decision-making power by Informing beneficiaries to cluster with projects without any allocated delegation specified. Therefore, I would expect to see five categories (7 scale categories – 2 (Full Beneficiary Delegation + considering the categories of None and Inform as one category)).

To accurately measure similarities between projects, we must first select variables that represent the targeted concepts. This analysis includes variables, in three categories, that describe the occurrence of allocated delegation and variation within the data: 1) incidence of allocated delegation as per the allocated delegation scale, 2) how much of the project delegates decision-

making power, and 3) the type of beneficiary decision-makers. I explain the choice of clustering variables below:

*Does the Contract Delegate Decision Making Power and How Much?*

I incorporate two measures of the allocated delegation scale into the cluster analysis: the occurrence of each category of allocated delegation and the highest category of allocated delegation coded per project. The scale is the main approach used in this project for identifying occurrence and degree of allocated delegation.

- Presence of each category of allocated delegation as per the allocated delegation scale
- Highest category of allocated delegation coded on each project

*How Much of the Project Delegates Decision-Making Power?*

The greater the proportion of the project and its activities with delegated beneficiary decision-making power specified in the contract, the more decision-making power beneficiaries have. To measure this, we can count the number of project activities with allocated delegation specified.

This concept is measured by:

- Percent of project components with allocated delegation specified

*Who Are the Beneficiary Decision-Makers?*

Following Fung (2006), the type of beneficiary selected to engage in decision-making may be an important source of variation in allocated delegation. In particular, Fung ranks participation as more inclusive or more exclusive (see Table 2.1). Elected officials and bureaucrats are the most exclusive categories on his scale, representing a subgroup of powerholders who are meant to represent public preferences (Fung, 2006). The coding exercise illuminated that RFP documents tend to reflect this disaggregation, explicitly noting allocated delegation for specific government

actors or general groups of non-government actors.<sup>21</sup> As such, I include the following variables as a potential source of variation within allocated delegation:

- Do government beneficiaries receive allocated delegation? (Y/N)
  - If yes, are they the only beneficiary who receives allocated delegation? (Y/N)
- Do non-government beneficiaries receive allocated delegation? (Y/N)
  - If yes, are they the only beneficiary who receives allocated delegation? (Y/N)

#### 2.3.4 *Results*

The previous section explained the methodology to explore the three questions posited in this chapter: does allocated delegation occur? To what extent? What patterns exist to describe variation within allocated delegation? This study finds that allocated delegation does exist, and varies in its occurrence across the allocated delegation scale, with one important exception. There are no empirical observations of allocated delegation in the highest category on the allocated delegation scale: Full Beneficiary Delegation. It also found five clusters of projects, which I then grouped into three types of projects with respect to allocated delegation. The three project types differ based on their degree of allocated delegation, the types of participation tools specified to delegate decision-making power, and the type of beneficiary identified to engage in decision-making. The types are: 1) no allocated delegation, 2) allocated delegation with government actors as the primary beneficiary, moderate degrees of allocated delegation, and specification of more collaborative participation tools, and 3) allocated delegation with non-

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<sup>21</sup> Note that one subset of non-government actors is occasionally referenced directly as a decision-maker: the private sector. Since so few projects delegate decision-making power to the private sector, I do not include them as a separate category in this analysis.

government actors as the primary beneficiary, moderate to high degrees of allocated delegation, and specification of less collaborative participation tools.

#### 2.3.4.1 The Presence and Extent of Allocated Delegation

This section shows that USAID projects do delegate considerable, but never full, decision-making power to intended beneficiaries through contract specification, with substantial variation across projects not only in degree of delegation allocated, but also in the mechanisms used to do so. For ease of presenting the results, I will use the nomenclature in the table below to refer to the allocated delegation scale categories.

Table 2.4. Abbreviations for Allocated Delegation Scale

Abbreviation	Allocated Delegation Scale	Description
<b>None</b>	None	No Allocated delegation
<b>Inform</b>	Inform Beneficiaries	<b><u>Beneficiaries are informed:</u></b> contractor informs beneficiaries of activities, but does not seek beneficiary response or reaction. Beneficiaries can choose to opt in or out as a result of this information.
<b>Consult</b>	Consult Beneficiaries	<b><u>Beneficiaries are consulted:</u></b> contractor presents a set of intended activities to beneficiaries and asks them to provide input for adjustments to make it more appropriate or effective given their needs and context.
<b>Originate Specific Activities</b>	Beneficiaries Originate Ideas for Specific Activities	<b><u>Beneficiaries originate ideas for specific activities:</u></b> contractor asks beneficiaries to propose ideas for local needs, target areas, and activities. This is often done through asking for individuals to express their needs and priorities in a ‘needs assessment’; or through asking beneficiaries to submit grant applications proposing specific activities to accomplish a defined goal.
<b>Select Type of Activity +</b>	Beneficiaries Select the Type of Activity	<b><u>Beneficiaries select the type of activity and originate ideas for specific activities:</u></b> contractor asks beneficiaries to submit grant applications proposing specific activities within a particular sector, leaving open the type of activity.
<b>Select Sector of Activity +</b>	Beneficiaries Select the Sector of Activity	<b><u>Beneficiaries select the sector and type of activity, and originate ideas for specific activities:</u></b> contractor asks beneficiaries to submit grant applications proposing specific activities, giving beneficiaries a choice between multiple sectors the project is working in.

<b>Full Beneficiary Delegation</b>	Full Beneficiary Delegation	<b>Beneficiaries are given free rein to propose any activity without constraint or limitation such as sector, development goal or strategic aid priority.</b>
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When considering the category Inform to be meaningful decision-making power, 78% of RFPs specify some allocated delegation. If, like many public participation experts (Creighton 2005), we do not consider Inform to be decision-making power, the proportion is 72%. This analysis follows Creighton and excludes Inform from what is considered allocated delegation.

I first considered the highest level of delegation given in each RFP (within mutually exclusive categories), then examined the presence of each category in each project (non-mutually exclusive categories), and showed that allocated delegation was most commonly specified in the categories of Consult and Originate Ideas for Specific Activities. A number (22%) offered no delegation at all. In some projects (6%), the highest level of delegation was Inform, with the chance to opt-in or opt-out. Some offered a greater maximum level of delegation, such as the opportunity to Consult on and adjust project activities (25%), or engage in decisions by Originating Ideas for Specific Activities or key project priorities (38%). Only 8% of projects specified beneficiary engagement in decision-making regarding selection of the Type of activities, and only 1% allowed for beneficiaries to make decisions about the Sector. No projects were coded as having Full Beneficiary Delegation, the highest category on the allocated delegation scale (See Table 2.5.)

Consultation and decision-making to Originate Ideas Specific Activities emerged as the most common categories of allocated delegation when considering all those coded on each project and not just the category with the most delegation. Almost half of the projects included Consultative power, and the same amount included beneficiary contributions by Originating Ideas for Specific Activities, as shown in Table 2.6. This suggests that aid agencies specify more

than a nominal degree of allocated delegation (more than just Informing beneficiaries), but only within the constraints of pre-specified types and sectors of activities, and preset goals. This nominal category of Inform, though common in RFPs, is rarely the only type of allocated delegation specified. While a third of projects specified Inform, only 6% fit that category and no other. This further supports the finding that aid agencies are rarely engaging in only nominal forms of participation.

These findings demonstrate nearly the full empirical range of allocated delegation occurring via contract-managed foreign aid. Every category of the scale is represented except for Full Beneficiary Delegation, which demonstrates that all foreign aid contracts delegate decision-making power conditioned on development goals that are pre-determined by the donor. Given the few projects that delegate selection of activity sectors (0.4%), we can also conclude that foreign aid contracts tend to delegate decision-making power conditioned on pre-established development goals and sectors of work. This finding is not surprising given that USAID is a bilateral aid agency responding to its own principal (in the principal-agent chain), the U.S. Congress.

Table 2.5. Highest Level of Allocated Delegation per Project (mutually exclusive categories)

<b>Highest Level of Allocated Delegation Coded Per Project</b>	<b>Percent</b>
None	20%
<b>Beneficiaries are Informed of Activities and Can Opt In or Out of Participating</b>	<b>6.4%</b>
<b>Beneficiaries have Consultative Power to Adjust Contractor Suggested Activities</b>	<b>26.4%</b>
<b>Beneficiaries Originate Ideas for Specific Activities (within a given activity type)</b>	<b>38.4%</b>
<b>Beneficiaries Select the Type of Activity and Originate Ideas for Specific Activities (within a given sector of activities)</b>	<b>8.4%</b>
<b>Beneficiaries Select Sector and Type of Activity, and Originate Ideas for Specific Activities (within a given overall project goal)</b>	<b>0.4%</b>
<b>Full Beneficiary Delegation</b>	<b>0%</b>

Table 2.6. Percent of Projects with Evidence for Each Allocated Delegation Category (not mutually exclusive)

<b>Percent of Projects with Evidence for Each Allocated Delegation Category</b>	<b>Percent</b>
<b>Beneficiaries are Informed of Activities and Can Opt In or Out of Participating</b>	<b>33.6%</b>
<b>Beneficiaries have Consultative Power to Adjust Contractor Suggested Activities</b>	<b>51.6%</b>
<b>Beneficiaries Originate Ideas for Specific Activities (within a given activity type)</b>	<b>46.8%</b>
<b>Beneficiaries Select the Type of Activity and Originate Ideas for Specific Activities (within a given sector of activities)</b>	<b>8.8%</b>
<b>Beneficiaries Select Sector and Type of Activity, and Originate Ideas for Specific Activities (within a given overall project goal)</b>	<b>0.4%</b>
<b>Full Beneficiary Delegation</b>	<b>0%</b>

#### 2.3.4.2 Variation in Allocated Delegation

I inductively identify variation in allocated delegation using cluster analysis, an approach that groups projects based on key similarities within clusters, and key differences between clusters. This section describes the findings from the cluster analyses, discusses the common project features that characterize each cluster, and suggests an approach to streamline the clusters into

three types of projects with respect to allocated delegation. Two of these three types have allocated delegation, and can be differentiated by:

- 1) No allocated delegation.
- 2) Allocated delegation with government actors as the primary beneficiary, moderate degrees of allocated delegation, and specification of more collaborative participation tools. This type contains two clusters, one with projects that only delegate decision-making power to government beneficiaries, and one hybrid cluster that also engages non-governmental actors using grants.
- 3) Allocated delegation with non-government actors as the primary beneficiary, moderate to high degrees of allocated delegation, and specification of less collaborative participation tools. This type also contains two clusters, one with projects that only delegate decision-making power to non-governmental actors, and one hybrid cluster that also engages government beneficiaries in a high-level steering role to ensure alignment with existing national plans for related work.

The three types are identified after exploring the results of a cluster analysis conducted with five clusters. Below, I discuss the process of consolidating the five clusters into three types by comparing cluster analysis results using different thresholds. The five clusters identified in the cluster analysis are comprised of projects with a mix of allocated delegation, contract features, decision-makers, and delegation tools as shown in the top row of Table 2.7. The clusters are:

- 1) No Allocated Delegation Cluster;
- 2) Allocated delegation only for government beneficiaries, called Delegation to Recipient Governments Cluster;

- 3) Allocated delegation for only non-government actors, called the Delegation to Non-Government Actors Cluster; and
- 4) Two hybrid clusters:
  - a) One that prioritizes government beneficiary decision-making, called Non-Government Decision-Making + Government Steering Cluster; and
  - b) One that prioritizes non-government beneficiary decision-making, called Government Decision-Making + Grants Cluster.

The remainder of this section will describe the key characteristics of each cluster and how it differs from other clusters by relying on data from Table 2.7. The table provides summary statistics by cluster, including: the allocated delegation scale categories, the beneficiary types who are specified allocated delegation, and the participation tools designated. First, the No Allocated Delegation Cluster, with nearly a third of the dataset, has projects with no allocated delegation and projects that only Inform beneficiaries. I refer to this cluster in tables as, No AD.

Second, nearly one-third (27.6%) of contracts delegate decision-making power exclusively to government beneficiaries in the Delegation to Recipient Governments Cluster. Decision-making power is largely delegated in the form of consulting with recipient governments (allocated delegation scale category: Consult with beneficiaries), and jointly determining priorities and activities with the recipient governments (allocated delegation scale category: Originate Ideas for Specific Activities). These projects always specify allocated delegation to government beneficiaries, and government beneficiaries receive all of the allocated delegation (allocated delegation is never specified for non-government actors). On average, projects in this group specify allocated delegation for 81% of project components. In tables, I refer to this cluster as AD to Governments.

The third cluster is the Delegation to Non-Governmental Actors Cluster (referred to as, AD to Non-Gov't Actors in tables). Projects in this cluster delegate decision-making power exclusively to non-government actors using the 'classic' participation toolkit: needs assessments, community deliberation and decision-making, and small sub-grants. The allocated delegation for projects in this cluster encompasses the widest range, including the scale categories of Consult with beneficiaries, Originate Ideas for Specific Activities, Select the Type of Activities, and Select the Sector of Activities. Perhaps not surprisingly, this is a small cluster with only 6.4% of the dataset, or 16 projects.

Since this cluster is representative of a more classic participatory approach (as its specified tools represent the classic participation toolkit and decision-making power is delegated only to non-governmental actors), I include additional information about the types of projects in this cluster in Table 2.8. Interestingly, these projects largely occur in countries with higher levels of corruption, with an average Control of Corruption value of -0.81 across projects, and the majority of these projects pursue work under the umbrellas of Democracy, Human Rights and Governance as well as Agriculture and Food Security (see Table 2.8). This suggests that when pursuing certain types of work in countries with higher levels of corruption *and* delegating decision-making power, donor agencies may be circumventing decision-making power delegation to

Table 2.8: Characteristics of Projects in the Delegation to Non-Government Actors Cluster

<b>Projects in the Delegation to Non-Governmental Actors Cluster</b>	<b>Country of Implementation</b>	<b>Primary Sector</b>	<b>Control of Corruption (T-1)</b>
Syria Essential Services II	Jordan	Working in Crisis & Conflict	0.2600739
Supporting Citizen Engagement and Peace Building in Thailand	Thailand	Democracy, Human Rights & Governance	-0.3097054
Agriculture Market Activity	Bosnia and Herzegovina	Agriculture & Food Security	-0.3938975

Agriculture Value Chains	Bangladesh	Agriculture & Food Security	-0.8498433
Cambodian Civil Society Strengthening Project	Cambodia	Democracy, Human Rights & Governance	-1.1377637
Pacific American Climate Fund	Multiple Countries: Pacific Island Countries	Environment & Global Climate Change	-0.1971903
Regional Integrated Trade and Food Security Project	Multiple Countries: Central America	Agriculture & Food Security	-0.412717
Uganda Private Health Support	Uganda	Global Health	-0.9884557
Strengthening Advocacy and Civic Engagement Program	Nigeria	Democracy, Human Rights & Governance	-1.2212614
Transition Initiatives for Stabilization+	Somalia	Democracy, Human Rights & Governance	-1.7392462
Transition Initiatives for Stabilization+	Somalia	Democracy, Human Rights & Governance	-1.659763
Ghana Feed the Future Agriculture Policy Support Project	Ghana	Democracy, Human Rights & Governance	-0.1265676
Port-au-Prince Saint-Marc Partnership	Haiti	Agriculture & Food Security	-1.2338997
Youth Power: Implementation IDIQ	Global IDIQ	Democracy, Human Rights & Governance	NA
Promoting Gender Equality in National Priority Programs	Afghanistan	Gender Equality & Women's Empowerment	-1.4367611
East Africa Trade and Investment Hub	Multiple Countries: Eastern Africa	Economic Growth & Trade	-0.7295993

However, the small number of projects within this category indicates that delegation of decision-making power to non-governmental beneficiaries using the classic participation toolkit is rarely used as a stand-alone strategy. Instead, a different, hybrid cluster includes most of the projects that delegate decision-making power to non-governmental actors. Unlike this cluster, projects in this hybrid cluster also include some degree of allocated delegation for government beneficiaries.

The hybrid Non-Government Decision-Making + Government Steering Cluster is most similar to the Delegation to Non-Governmental Actors Cluster, with non-governmental actors serving as decision-makers in nearly every project (98.9%), and the most common tools for delegation of decision-making power specified as grants to non-governmental actors and consultation with non-government actors. Needs assessments and community-level deliberation and decision-making are specified at higher levels than in any other cluster. Also like the

Delegation to Non-Governmental Actors Cluster, government beneficiaries are never the only recipient of allocated delegation.

However, this cluster does share some features with the Delegation to Recipient Government Cluster: nearly half of projects delegate decision-making power to recipient governments (though governments are never the only decision-maker), and some projects also consult recipient government beneficiaries and/or engage them in joint decision-making and priority setting. Analysis of RFPs shows that governments are often engaged to ensure the project is in accordance with national priorities and strategies, indicating decision-making power with a higher-level scope in more of a steering role. Allocated delegation in this cluster includes Consulting with both non-government and government beneficiaries, and decision-making power to Originate Ideas for Specific Activities – also with both non-government and government beneficiaries. I call this cluster, with 36.4% of the dataset, the Hybrid Delegation Cluster: non-government decision-making + government steering (Hybrid: Non-Gov't AD + Gov't Steering, in tables).

Finally, the last cluster is the Government Decision-Making + Grants Cluster, and is a different kind of hybrid. It is most similar to the Delegation to Recipient Government Cluster. All projects in this small cluster (6 projects, or 2.4% of the dataset) feature government decision-making power and half of projects feature only government decision-making power. On the other hand, no projects in this cluster specify only non-government actor decision-making power (and only half delegate decision-making power to non-governmental actors). The most commonly specified tool in this cluster is joint priority setting with the government; and joint decision-making and government consultation also play an important role. As compared to the Delegation to Recipient Government Cluster, these projects have higher degrees of allocated delegation: a

higher percentage of projects with allocated delegation to make decisions to Originate Ideas for Specific Activities and Select the Type of Activities (100% compared to 45% for Originating Specific Activities, and 100% compared to 0% for Selecting Types of Activities). However, half of this cluster's projects feature grants to non-governmental actors in addition to the allocated delegation for government actors. To reflect this mix of features, I call this cluster the Hybrid Delegation Cluster: government decision-making + grants (or as 'Hybrid: Gov't AD + Grants', in tables).

Table 2.7. Descriptive Statistics by Cluster

	No AD	AD to Govern-ments	AD to Non-Gov't	Hybrid: Non-Gov't + Gov't Steer	Hybrid: Gov't + Grants
<b>Number of Projects</b>	68	69	16	91	6
<b>% of dataset</b>	27.2%	27.6%	6.4%	36.4%	2.4%
<b>Highest Level of Allocated Delegation Coded per Project</b>	Inform	Specific	Sector	Specific	Type
<b>Allocated Delegation Category (% of projects in each cluster that have coded each type of Allocated Delegation)</b>					
• Inform Beneficiaries	26%	22%	50%	42.8%	67%
• Consult with Beneficiaries	0%	83%	56%	67%	33.3%
• Originate Ideas for Specific Activities	3%	45%	94%	69%	100%
• Select the Type of Activity and Originate Ideas for Specific Activities	0%	0%	100%	0%	100%
• Select the Sector and Type of Activity, and Originate Ideas for Specific Activities	0%	0%	6%	0%	0%
<b>For Whom is Allocated Delegation Specified?</b>					
Average <b>Percent of Components</b> on the Project with Allocated Delegation	15%	81%	88%	70%	86%
Percent of Projects Specifying <b>Allocated Delegation for Government</b>	1.5%	100%	0%	43.9%	100%
Percent of Projects Specifying <b>Allocated Delegation for Non-Government</b>	0%	0%	100%	98.9%	50%
Percent of Contracts <b>Only Specifying Allocated Delegation for Government</b>	1.4%	100%	0%	0%	50%
Percent of Contracts <b>Only Specifying Allocated Delegation for Non-Government</b>	1.4%	0%	100%	55%	0%
<b>Presence of Allocated Delegation Tools (% of projects specifying the use of each tool)</b>					
• Government Vetting	1.4%	7.2%	0%	8.8%	33.3%
• Consultation with Government	1%	72%	0%	25%	33.3%
• Joint Goal Setting with Government	0%	31.8%	0%	18%	33.3%
• Joint Priority Setting with Government	0%	34.7%	0%	16%	66.6%
• Grant Solicitations for Non-Government Actors to Design Activities	1.4%	0%	68.7%	28.5%	50%
Average Grant Value (in millions)	\$1.5	\$3.2	\$5.9	\$4.7	\$5.8
• Needs Assessments	0%	0%	18.7%	21.9%	0%
• Consultation with Non-Government Actors	0%	0%	18.7%	54.9%	0%
• Community Decision-Making or Requests	0%	0%	31.2%	14%	0%

Exploring the cluster analysis dendrogram (Figure 2.3) provides information about how similar each of these five clusters is to the other clusters. The red line in the figure shows where the threshold for five clusters is. To understand which clusters of the five are most similar, I add a blue line at a threshold of four clusters. The blue line shows that the Delegation to Recipient-Governments Cluster and the Hybrid Delegation Cluster: government decision-making + grants merge, meaning that these are the two most similar clusters. This finding supports the narrative assessment above that this particular hybrid cluster was more similar to the cluster that delegated decision-making power to government beneficiaries.

To understand which of the remaining clusters are most similar, the green line in Figure 2.3 indicates a threshold of three clusters. In this clustering result, the Delegation to Non-Governmental Actors Cluster merges with the other hybrid cluster: Hybrid Delegation Cluster: non-government decision-making + government steering, meaning they are the next most similar of the five clusters. This finding supports the narrative analysis that this hybrid group is most similar to the Delegation to Non-Governmental Actors Cluster.

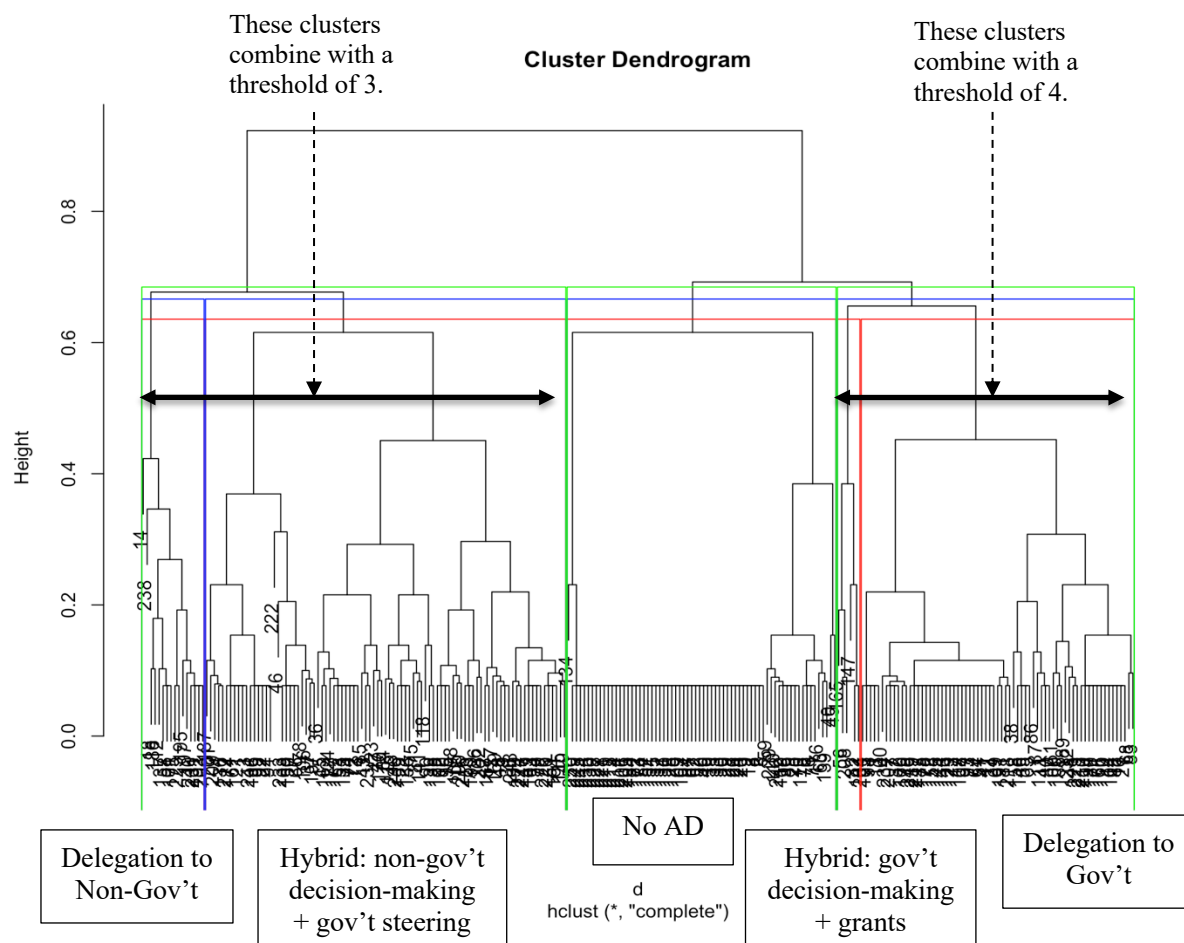


Figure 2.3. Dendrogram of the Cluster Analysis. Red line shows threshold of 5 clusters; blue line shows threshold of 4; green line shows threshold of 3 clusters. Arrows show which of the 5 clusters combine when decreasing the threshold (desired number of clusters).

Comparing the findings from the cluster analysis with three, four, and five clusters suggests a possible typology of allocated delegation for foreign aid projects, pictured in Figure 2.4. Type 1: No Allocated Delegation is comprised of the No Allocated Delegation Cluster, with 27.2% of the dataset. Type 2: Allocated Delegation: Governments as Key Decision-Makers is comprised of the 69 projects from the Delegation to Recipient Governments Cluster and the 6 projects from the Hybrid Delegation Cluster: government decision-making + grants. Given the small percentage of projects from the contributing hybrid cluster (8%), the projects in this type of allocated delegation, as a whole, reflect the characteristics of the Allocated Delegation:

Governments as Key Decision-Makers cluster, as shown in Figure 2.4. This type represents 30% of the dataset.

The final type, Type 3: Allocated Delegation: Hybrid Decision-Making with Non-Government and Government Actors, is composed of the 16 projects from the Delegation to Non-Governmental Actors Cluster (comprising 15% of the new allocated delegation type) and the 91 projects from the Hybrid Delegation Cluster: non-government decision-making + government steering (comprising 85% of the new type). This type of allocated delegation shows that when non-governmental actors are given decision-making power, they are usually engaged through a more hybrid type of allocated delegation, where governments are engaged in decision-making to ensure alignment with national plans and compatibility with existing government work. This third type, constituting 42.8% of the dataset, reflects the empirical reality of participatory approaches with non-governmental actors: most often in conjunction with government decision-making and collaboration.

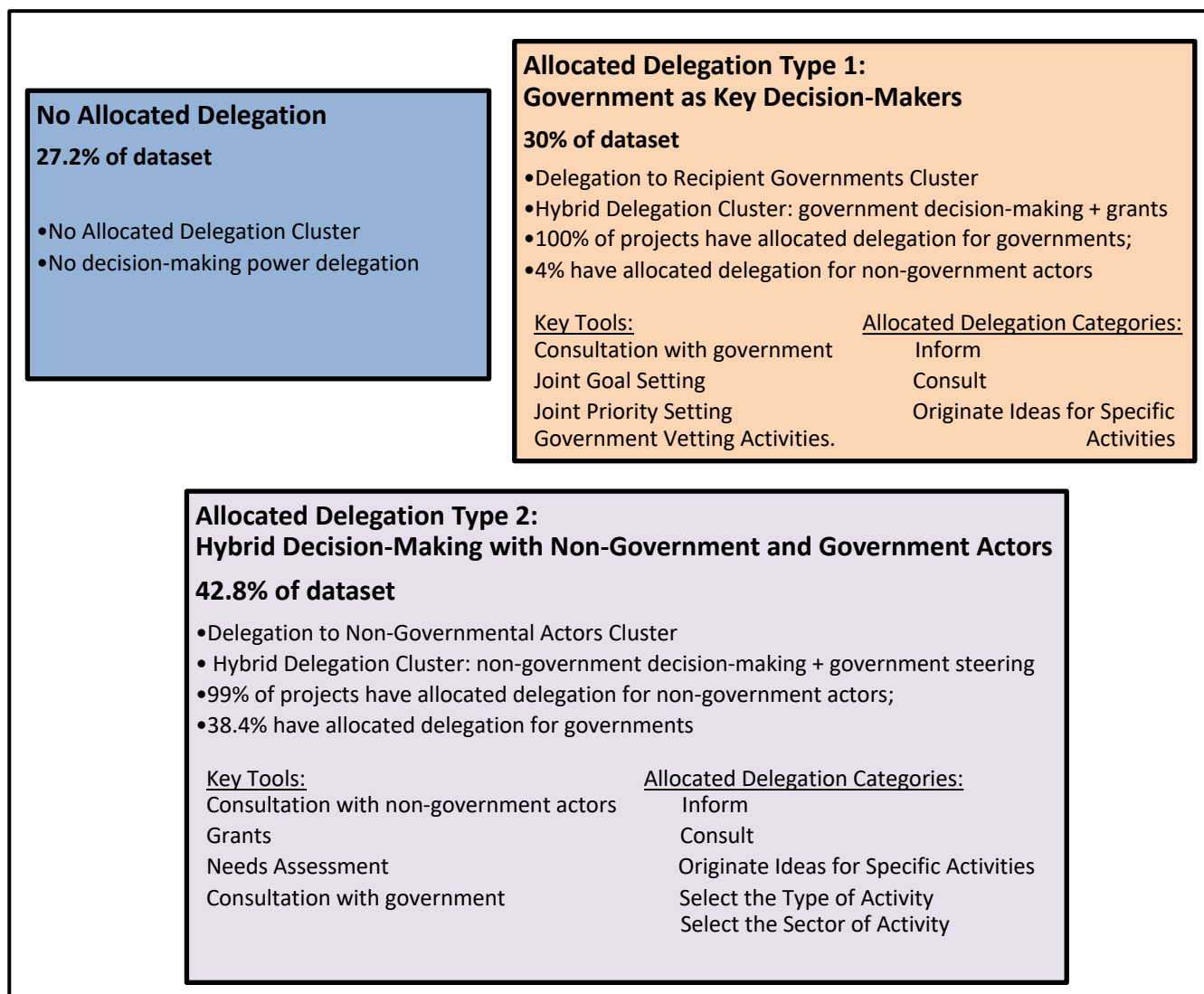


Figure 2.4. Types of Allocated Delegation

However, it is not apparent whether Type 2 or Type 3 specifies ‘more’ power; rather, they each represent a blend of two types of decision-making power. While Type 2 shows a higher degree of allocated delegation, meaning beneficiaries can make wider-ranging decisions (for example, selecting the Type of activity and Originating Ideas for Specific Activities, as opposed to just Originating Ideas for Specific Activities within a pre-determined type of activities), tools specified in Type 1 are more collaborative and carry more power to influence decisions, meaning beneficiaries have more direct control over final decisions made about

project activities. This mixed-type categorization draws on, but does not reflect, the ordered nature of the allocated delegation scale, or the earlier ordered categories of public participation by other scholars that focus on goal and degree of decision-making power. Instead, the approach more closely mirrors Fung's (2006) multidimensional democracy cube, which places projects at specific points on three scales. Placing the types of allocated delegation on a two-dimensional comparative approach demonstrates the nuance in terms of degree and type of decision-making power (See Table 2.9).

Table 2.9. Types of Allocated Delegation by Degree and Type of Decision-Making Power

<b><i>How Much Power do the Participation Tools Provide to Ensure Preferences are Accommodated?</i></b> ↓	<b><i>Degree of Allocated Delegation as per the Allocated Delegation Scale: Over How Much of Project Activity Design Are Preferences Solicited?</i></b>			
	<b>No Allocated Delegation</b> (None and Inform)	<b>Moderate Allocated Delegation</b> (Consult and Originate Specific Activities)	<b>Higher Allocated Delegation</b> (Consult, Originate Specific Activities, Select Type of Activity, Select Sector of Activity)	<b>Highest Allocated Delegation</b> (Full Beneficiary Delegation)
<b>No Power to Ensure Preferences are Accommodated</b>	No Allocated Delegation (27.2% of dataset)	--	--	--
<b>Less Power to Ensure Preferences are Accommodated</b>	--	--	Type 2: Hybrid Decision-Making with Non-Government and Government Actors (42.8% of dataset)	--
<b>More Power to Ensure Preferences are Accommodated</b>	--	Type 1: Government as Key Decision-Makers (30% of dataset)	--	--
<b>Full Power to Ensure Preferences are Accommodated</b>	--	--	--	--

Further, the Table demonstrates that there are no projects in the highest category of allocated delegation, meaning that participatory approaches within foreign aid projects are always conditioned on a set of pre-determined development goals. There are also no projects that delegate full decision-making power over project activities to beneficiaries; decision-making

power is always ultimately held by project staff (and often subject to donor approval). As a result, empirically, allocated delegation is comprised of decision-making power delegation that is always circumscribed. This finding is consistent with the expectation from Chapter 1 that the delegation of decision-making power to beneficiaries will be limited. Chapter 1 describes this limitation as coming from incentives embedded in the bureaucratic aid delivery system.

Yet, the analysis in this chapter showed that the two, albeit restricted, types of allocated delegation are commonly employed on foreign aid projects, and specify important decision-making power to project beneficiaries. The two different allocated delegation types suggest a need for more detailed analysis of how the allocated delegation types may function differently within the theoretical framework presented in Chapter 1. For example, do different factors, such as project uncertainty or local capacity, predict the occurrence of each allocated delegation type? Do the different types have different impacts on implemented delegation, beneficiary influences on project activities, or development impacts? Subsequent chapters (and future research) will continue to unpack the importance of this distinction among allocated delegation types.

### 2.3.5 *Limitations*

There are limitations of the methodological approaches presented in this chapter. First, while a two-coder consensus model sought to reduce bias in the measurement of allocated delegation, occasional human error from coders is still likely. The most probable result of this type of error is missing instances of allocated delegation buried within complex, lengthy contract documents, which would under-code the variable.

The accuracy of the cluster analysis results is dependent upon the variables used. Adding any missing variables may alter the results. While the Gower method for calculating distance between observations is an appropriate choice for including variables with mixed types of data

(categorical and continuous), it is sensitive to outliers, as are most methods for calculating distances in cluster analysis.

### 2.3.6 *Broader Implications*

In the context of countervailing incentives that both encourage and restrict participation, we see USAID delegating decision-making power to beneficiaries often and with variation in degree and type. Allocated delegation was found to occur in more than 70% of projects, with decision-making power delegated in all categories except for the highest. Incentives limiting allocated delegation do not dominate incentives for participation uniformly across projects. In other words, incentives for participation appear to be strong or binding enough to overcome countervailing institutional pressures, and result in varying degrees of allocated delegation within contracts. The exception to this is the Full Beneficiary Delegation category: beneficiary decision-making power is always limited by the choice of development goal, and usually limited by the choice of sector, which are pre-set by the donor agency.

The findings indicated three types of foreign aid projects with respect to allocated delegation 1) no allocated delegation, 2) allocated delegation primarily for government actors, and 3) allocated delegation for both non-governmental and governmental actors. The first type, with just under 27% of projects, do not delegate decision-making power to beneficiaries (no allocated delegation). In the second type, USAID engages recipient government beneficiaries as decision-makers (at the levels of Consult with beneficiaries and Originate Ideas for Specific Activities) using more collaborative tools, and often with the intent of joint implementation. Final decisions are likely to be strongly and directly influenced by beneficiaries.

Projects in the third type comprise 42.8% of the dataset, and feature allocated delegation to non-governmental actors, though governments often engage in making decisions about the

high-level direction to ensure the project direction is in accordance with existing government priorities and work. On these projects, USAID designates higher levels of allocated delegation (Originate Ideas for Specific Activities, Select the Type of Activities, and Select the Sector of Activities), but with less collaborative tools. With these tools, the final decisions about how to use beneficiary decisions and preferences in project activities rests with the contractor, for example: selecting which beneficiary grant proposal to fund, or deciding which preferences from a needs assessment to pursue.

The impact of the two types of allocated delegation on 1) implemented delegation and 2) the incorporation of beneficiary input and decisions into project activities may be different. For example, Type 1 may be more likely to be implemented than Type 2, or have a higher rate of beneficiary influence over project activity selection and design. As a result, these types should be assessed separately, and their results compared not only to each other, but also to results that group all allocated delegation together. Chapters 3 and 4 take on these tasks.

Contract specifications for allocated delegation are a starting point for understanding beneficiary participation. The amount of decision-making power for beneficiaries specified in contracts (via allocated delegation) may change during implementation as additional incentives and other contextual factors play out in the field. However, the evidence in this chapter indicates that contracts are clearly a circumscribed, though meaningful, vehicle through which USAID specifies beneficiary decision-making requirements. Given that USAID is perhaps a “hard case” for exploring allocated delegation due to its highly bureaucratic and constrained nature render it perhaps the most difficult and unlikely case, *and* given the presence of allocated delegation in three quarters of its contracts, we might expect to see the same or more allocated delegation to beneficiaries in other bilateral aid agencies. The substantial differences in allocated delegation

likely lead to similar differences in how beneficiary participation effects implementation and project impact. This relationship will be tested in Chapter 4. Existing literature has begun to explore the intersection between public participation and government contracting, highlighting the importance of looking at participation through the lens of contracting. The analysis in this chapter suggests that continued application of a public management lens to foreign aid implementation can help explain how participatory development occurs in the field.

## Chapter 3. PREDICTING THE OCCURRENCE OF ALLOCATED DELEGATION

### 3.1 INTRODUCTION

USAID delegates varying degrees of decision-making power over project activities to beneficiaries via contract specifications in nearly three quarters of projects, as demonstrated in Chapter 2. The amount of delegation varies, but occurs in consistent patterns in terms of the degree of decision-making delegated, tools specified for use during project implementation and beneficiaries to be engaged. These contract-level specifications, or allocated delegation, are intended to motivate the behavior of contractors to delegate decision-making power. While Chapter 2 measured allocated delegation and explored its occurrence on USAID projects, the circumstances under which allocated delegation is specified is unknown. USAID was chosen to be the case of study because, as one of the most highly constrained and bureaucratic aid donors, it represents a ‘difficult case’ as (see Chapter 1) in which we would expect lower levels of allocated delegation (Goertz, 2010). As such, any conditions under which allocated delegation occurs on USAID projects would likely also explain its presence in other bilateral aid projects.

Chapter 2 also introduced the three types of projects with respect to allocated delegation. The first type of projects (comprising just over a quarter of the data) have no allocated delegation, while the other two have different kinds of allocated delegation. Allocated Delegation Type 1: Government as Key Decision-Makers comprises 30% of the dataset. Projects in this type specify recipient governments as the key beneficiary decision-makers, delegate moderate degrees of allocated delegation (as per the allocated delegation scale), and designate the use of more collaborative participation tools. Allocated Delegation Type 2: Hybrid Decision-

Making with Non-Government and Government Actors represents 43% of the dataset. Projects with this type of allocated delegation feature non-government actors as the key beneficiary decision-makers, have moderate to high degrees of allocated delegation (on the allocated delegation scale) and specify the use of less collaborative participation tools. The decision-making power on these two types of projects is mixed, with neither type clearly delegating more decision-making power to beneficiaries. Instead, as shown in Figure 3.1, in each type, beneficiaries have more decision-making power over a different aspect of allocated delegation: 1) the degree of decision-making power delegated on the allocated delegation scale which measures how much of the project design the beneficiaries can influence (for example, is decision-making power delegated over activity selection within a pre-determined set of activity types, or can decision-makers specify the type of activity, too?), and 2) the degree of influence held over project decisions and activities during project activity selection and design as specified by the participation tools (for example, do beneficiaries submit ideas to be decided upon by the project, or are they engaged in collaborative discussions where decision-making is a joint endeavor?).

### 3.1. Typology of allocated delegation (from Chapter 2)

<b><i>How Much Power do the Participation Tools Provide to Ensure Preferences are Accommodated?</i></b> ↓	<b><i>Degree of Allocated Delegation as per the Allocated Delegation Scale: Over How Much of Project Activity Design Are Preferences Solicited?</i></b>			
	<b>No Allocated Delegation</b> (None and Inform)	<b>Moderate Allocated Delegation</b> (Consult and Originate Specific Activities)	<b>Higher Allocated Delegation</b> (Consult, Originate Specific Activities, Select Type of Activity, Select Sector of Activity)	<b>Highest Allocated Delegation</b> (Full Beneficiary Delegation)
<b>No Power to Ensure Preferences are Accommodated</b>	No Allocated Delegation (27.2% of dataset)	--	--	--
<b>Less Power to Ensure Preferences are Accommodated</b>	--	--	Type 2: Hybrid Decision-Making with Non-Government and	--

			Government Actors (42.8% of dataset)	
<b>More Power to Ensure Preferences are Accommodated</b>	--	Type 1: Government as Key Decision-Makers (30% of dataset)	--	--
<b>Full Power to Ensure Preferences are Accommodated</b>	--	--	--	--

The circumstances under which donors specify each type of allocated delegation is unknown.

This chapter provides a nuanced study of allocated delegation by exploring not only incidence but also type, and explores the circumstances under which each type of allocated delegation occurs:

- Under what conditions does USAID delegate decision-making power (allocated delegation) to project beneficiaries?
- Under what conditions does USAID delegate decision-making power (allocated delegation) to project beneficiaries via each of the allocated delegation types?

This chapter reviews the relevant causal relationships presented in Chapter 1, along with their accompanying hypotheses and measurement approaches, discusses the measurement approaches for the dependent variable, and presents the methodology for the data analysis. Finally, it presents the results of the study across various modelling specifications, and concludes with an assessment of the hypotheses across the multiple models.

### 3.1.1 *Predicting Allocated Delegation*

Chapter 1 identified the factors proposed by existing literature that may predict allocated delegation: Perceptions of Uncertainty, Type of Change Sought (individual behavior change vs system-level change), Perceptions of Local Capacity and Pre-Existing Relationship Strength.

These variables and their relationships to allocated delegation are shown in the diagram below.

This chapter then reviews the hypothesized predictors of allocated delegation and how they are operationalized, and then discusses the data and statistical models.

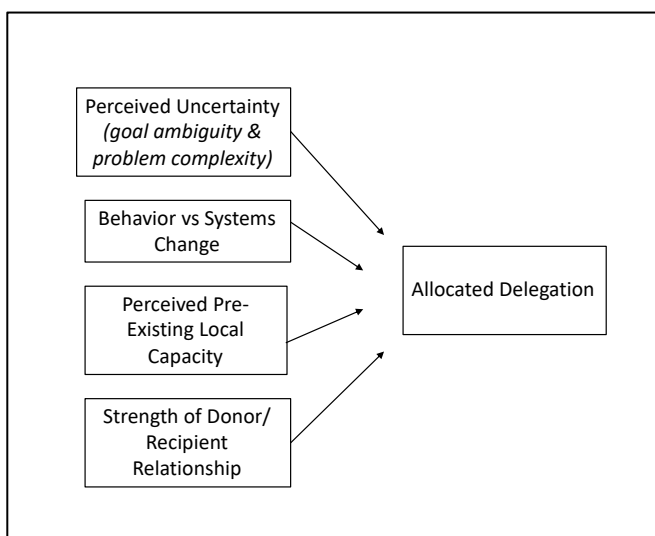


Figure 3.1. Predictors of Allocated Delegation

I include perceptions of the variables, uncertainty and local capacity, instead of a direct measure, because donor agencies and contract writers likely make decisions about allocated delegation based on their perceptions of these variables as opposed to conducting research into their values. Since knowing relevant individual perceptions is not possible, I proxy these variables with measures of the underlying concept: perceptions of uncertainty is proxied by measures of uncertainty; and perceptions of local capacity is proxied by measures of local capacity. While perceptions may differ somewhat, these proxies are likely an appropriate approximation of average perceptions.

### 3.1.1.1 Perceptions of Uncertainty

Perceived uncertainty can be a powerful predictor of delegated decision-making power (Kelman, 2002; Kim et al., 2012; Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980; Donahue et al., 2011; Milward et al., 2003; Chun et al., 2006). In particular, perceptions of goal ambiguity and problem complexity, operationalized independently in this study, help explain circumstances when allocated delegation is more or less likely to occur.

Following Chun and Rainey (2005), I operationalize goal ambiguity based on whether the formal contract incentives measure results or measure steps in the process (are workload-focused). Chun and Rainey argue that the more results-focused indicators are, the less uncertain, or ambiguous, the goal. When the goal is unknown, managers are forced to rely on measuring progress towards a process (or workload steps) to ensure contractor compliance. Pulling from both required and illustrative indicators in the RFP document, this study assesses whether each measures progress towards workload or results. If an indicator measures an activity or output, it is coded as workload; if it measures an outcome or impact, it is coded as a result. The percentage of results-focused project indicators are used to measure the degree of goal ambiguity (higher value=lower ambiguity). Using a neutral score in cases where no required or illustrative indicators are listed (the average ambiguity value across all projects) prevents the models from dropping missing observations. This measurement approach is limited: the required and illustrative indicators are not the full set ultimately used to evaluate the project, but rather those included in the RFP. There is variation in the number of indicators included in the RFP and the number of additional indicators added during the contract proposal and negotiation stages. However, indicators

included in the RFP are indicated as a priority up front, making this a useful proxy for how donors perceive the project and its degree of goal ambiguity.

Measuring problem complexity on international development projects is less straightforward. Government contracting literature measures complexity in contracts by dividing them into simple and complex work (Kim & Brown, 2012; Girth & Lopez, 2018; Brunjes, 2019), calculating the percent of public agency workers assigned to a project who are professional employees with advanced technical skills (Lee et al., 2010), or counting the number of modifications throughout the life of a project (Curry, 2010; Girth & Lopez, 2019; Kim & Brown, 2012; Brunjes; 2019). However, these measures do not apply to the foreign aid contracts in this dataset due to lack of variation or information. All aid contracts would fall into the category of ‘complex’ work, and 97% of contracts in the dataset would fall into the ‘complex’ category of contract types<sup>22</sup>. Further, data on donor- or contractor-level employees along with their degree of professionalization is unavailable, and many of the projects in the dataset are still ongoing, so it is premature to measure the number of modifications during the life of the project.

Given the information available in RFPs, we can differentiate between degrees of high complexity across projects by assessing the extent to which multiple subgoals are simultaneously pursued within one contract. As Lee et al. (2010) explain, “Complexity increases the difficulty of specifying cause-effect relationships . . . [which can lead to] the substitution of subgoals for more general goals . . . [which] occurs when an organization has difficulty relating its actions to general goals” (2010). In other words, the less clear the path to achieving an underlying development goal, the less clear the relationship between

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<sup>22</sup> Cost-plus reimbursement contracts have been associated with higher degrees of problem complexity.

activities and goals (cause and effect), and the more donors will include an approach with multiple program components, or subgoals to simultaneously pursue the underlying goal (in a multi-pronged approach). The number of subgoals specified in a contract to accomplish the underlying development goal is therefore a useful proxy for the degree of problem complexity. The higher the number of subgoals (or project components) elaborated within each contract's scope of work, the more uncertainty.

One school of thought argues that more uncertainty leads to attempts to reduce the risk of either failed programs or programs that pursue unintended goals by reducing delegated decision-making to the extent possible (Williamson, 1979, 1981; Walker & Weber, 1984; Anderson & Gatignon, 1986; Bajari & Tadelis, 2001; Brown & Potoski, 2003b; Perner et al., 2014; Cooper, 1980). Others propose that the more uncertainty there is, the more delegated decision-making is both needed and relied upon so that those closest to the implementation context can most appropriately tailor on-the-ground activities (Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980). Given the pervasiveness of the strength of control mechanisms throughout public management literature and the importance of contracting as a means of aid delivery in bilateral agencies, the expectation here is that higher perceived uncertainty will lead to less delegation.

*H<sub>1A</sub>: Projects with higher degrees of perceived uncertainty will have less allocated delegation.*

#### 3.1.1.2 A Focus on Behavior vs. Systems Change

Projects can target changing individual behavior, change at the institutional or systemic level, or both. Systemic change typically seeks to alter policy, institutions, and/or government (or other institutional) staff behavior as opposed to the behavior of the intended

‘end’ beneficiaries. Other projects seek to change the behavior of the intended ‘end’ beneficiaries directly.

This study proxies the type of change sought by whether each project’s primary sector of work represents individual-level change (agriculture, economic growth, environment, or capacity building) or systems-level change (democracy and governance, health, education, gender, water, or crises and conflict). These categorizations are based on 1) each sector’s averaged typical approaches and activities, per review of each RFP in the contracts dataset (during the two-person coding activity in which I served as moderator (see Chapter 2)), and 2) my observations of project work during my experience as a foreign aid contract implementer. While there is certainly variation within each sector in terms of the degree to which the approach tilts more toward individual behavior change or system-level change, this categorization reflects the average project per sector.

The RFP document review process, involving hundreds of RFP scopes of work and primary sector coding, demonstrated that, on average, project sectors are disaggregated into these two categories. While some agriculture projects (for example) do engage in systems-level change, these typically focus on changing behavior of producers and buyers, as opposed to changing agricultural policy and the behavior of government workers implementing it. On the other hand, projects coded as primarily democracy and governance typically focus on changing governance systems and policy, and the behavior of government staff. Similarly, health projects often focus at the level of health systems change (including government health systems), and not directly on changing patients’ (or potential patients’) individual behavior.<sup>23</sup>

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<sup>23</sup> The placement of the remaining sectors into the two categories are explained below:

The literature on community participation largely examines individual behavior-change projects, and not policy or institutional systemic change. Given this trend, I hypothesize that behavior change projects are more likely to be participatory than projects that focus on systemic or institutional change.

*H<sub>1B</sub>: Projects in sectors that are ‘people/behavior change focused’ will have more allocated delegation compared to projects that are ‘systems change focused.’*

### 3.1.2 *Strength of Donor-Recipient Relationships*

Higher levels of delegated decision-making power have also been associated with stronger relationships between the delegator and the recipient—particularly in the face of uncertainty (Amirkhanyan et al., 2010; Sclar, 2000). These relationships serve as the compliance mechanism in place of rigid contractual specifications, allowing delegators to feel more comfortable increasing the amount of flexibility given to recipients of delegated decision-making power. This approach is more commonly used when there is interdependence between the actors, prior experience, and the potential for future partnerships (Amirkhanyan et al., 2010). Following Amirkhanyan et al. (2010), the strength of the relationship within a

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**Behavior Change:** While some economic growth projects target economic or fiscal policy, they more often target the behavior of young adults or unemployed individuals, to develop employable skills, create or strengthen small or medium businesses, or develop financial literacy and responsible financial management. Environment projects are split between those that seek to change individual behavior in remote, forested areas to reduce deforestation and develop income-generating activities that protect forests, and those that promote behavior that reduces carbon emissions. Capacity building is a key component of many projects in other sectors. Projects that seek to build capacity as their primary goal are rare and focus on small community-based civil society organizations.

**Systems-Level Change:** Education projects tend to focus on either education policy or changing the way that public systems deliver education (ex: introducing different instructional interventions within schools) as opposed to changing students’ behavior directly. Only one project focuses on gender equality and women’s empowerment as the primary sector: Promoting Gender Equality in National Priority Programs in Afghanistan. Projects that exclusively focus on water are also rare, and seek to improve water infrastructure and access to water by influencing how governments provide this public service. While some crisis and conflict projects focus on providing workforce skills to refugees, most focus on improving stability, safety, and conflict mitigation either in locations of conflict or within refugee camps.

public contracting setting is measured in three ways: interdependence between actors, prior experience, and the potential for future partnerships.

To assess prior experience and interdependence, I measured 1) the size of the financial interdependence with the implementing partner the year before award date, and 2) the existence of a formal bilateral agreement between the donor and recipient governments. I calculated the total value obligated to the selected contractor across all federal government contracts for the fiscal year prior to award date. The higher the obligated value, the more prior experience and more interdependence. I also accounted for the presence of a formal bilateral agreement governing the contract included in the RFP as a guiding structure. A number of countries have signed agreements with the U.S. designating a framework for aid. When the RFP explicitly refers to these agreements, the project receives an affirmative rating for formal host-country alignment, which indicates prior experience and interdependence.

To assess potential for future partnerships with the recipient government, I measured ideological consistency with the United States (or with professed U.S. ideals) in two ways: degree of democracy and control of corruption. Given USAID's explicit goal to promote democracy globally, and the U.S.'s self-identification as a democracy, I first measured ideological consistency as the degree of democracy in the recipient country, collecting the Polity IV score for the year before the project award date: those with more democratic Polity IV scores have higher potential for future partnerships. As above, multiple-country project scores were averaged across countries, and global projects received an NA. In order to account for categorical assignments (ex: -66 for interruption) and missing data from Polity IV's scoring method, see the process outlined in Appendix D.

USAID has a dedicated webpage cataloging its efforts to reduce global corruption<sup>24</sup>: it includes reference to a Corruptions Perceptions Index of 0 (highly corrupt) to 100 (very clean), with higher degrees of corruption lead to lower levels of government legitimacy. The global average is 43. The United States' score was in the mid-70s throughout the period of the data collected.<sup>25</sup> (Note that the highest recorded scores globally are in the 80s.) This study measured ideological consistency using high levels of corruption as the most dissimilar to the U.S., and high levels of control of corruption as similar to the U.S. Each country's Control of Corruption score was gathered for the year prior to award date from the World Bank's database. If multiple countries are specified, an average value was taken, and global projects were listed as NA. Countries with less corruption have higher potential for future partnerships.

Though these concepts are related, the variables used to measure them are not statistically correlated (including correlation values of: 0.04, 0.11, 0.11, 0.29, 0.01, and 0.07 considering all four variables), and there is no multicollinearity problem. The four variables measuring the components of relationship strength are proxies at the donor-to-recipient government level and the donor-to-contractor level. A key limitation of this measurement approach is its inability to capture a measurement of the relationship strength between the donor and beneficiary decision-makers. Unfortunately, this concept, not measurable from available sources, would require extensive fieldwork across all projects included in the dataset, and is therefore not included.

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<sup>24</sup> <https://www.usaid.gov/what-we-do/democracy-human-rights-and-governance/promoting-accountability-transparency>

<sup>25</sup> In the past few years, the score has been steadily declining.

Across the three concepts representing relationship strength, I hypothesize that stronger relationships will lead to more decision-making power for beneficiaries.

*H<sub>1C</sub>: Projects with stronger relationships between the delegator and recipient of decision-making power will have more allocated delegation.*

### 3.1.2.1 Donor Perceptions of Local Capacity

The perception of local capacity, or rather the perceived ability of local beneficiaries to engage in decision-making activities and activity implementation, may strongly sway donors' decisions of how much allocated delegation to specify. International and participatory development literature pervasively deem local capacity to be a critical factor for success (World Bank, 1996; Mansuri et al., 2013). Case studies show that when beneficiaries do participate, projects engaging beneficiaries with higher levels of capacity are more sustainable and effective (Mansuri et al., 2013).

This study measured perceptions of pre-existing local capacity using national-level education indicators. Existing work has demonstrated a link between education and human capital development at an international level (Barro et al., 2001). I gathered the Country Education Index from the UNDP's Human Development Index for the year prior to award date, to account for perceptions of local capacity during RFP design. I gather the most recent available data, after lagging to one year prior to award date to allow for project design, RFP elaboration and approval, contractor competition, and contractor selection. Available data ranges from one to three years prior to award date. The index value ranges from 0 to 1. Therefore, I multiply the final local capacity variable by 100 to capture changes

in index value as opposed to a change from no capacity to maximal capacity. The higher the index value, the higher the perceived local capacity.

When projects take place in more than one country, an average value across the included countries was listed; global projects received NA. Since no education index value was available for Burma, Kosovo, or Somalia, I utilized a matching procedure. Literacy rates for the year prior to the award date were compared to literacy rates for other countries included in the Education Index, generating a 'new' Education Index value based on average Index scores from countries with the same literacy rate. The key limitation for this measure is that it treats perception of capacity as a national-level indicator, which may or may not be the case in practice. However, a more fine-grained measure of ex-ante perceptions of capacity is unavailable, both within project (considering the multiple beneficiaries per project) and across projects. Though imperfect, a national-level variable is a useful proxy for comparing average levels of capacity at the project level.

I hypothesize that the more a contract designer perceives a community of being capable of valuable contributions to project design, the higher the level of delegation.

*H<sub>ID</sub>: Projects in countries with higher perceived local capacity will have more allocated delegation.*

In addition to the independent variables described above, I included a set of control variables, including Burn Rate (total project value / number of project years), Start Year of Project, and Region. Burn rate is a more appropriate control variable than total contract value because it provides a more meaningful picture of available activity budgets and creates more appropriate comparisons (a 5 year, \$5 million contract would be considered similar to a 2 year, \$2 million dollar contract in terms of the size the operating and activity

budgets). Start Year controls for any variation in participation preferences across time, and Region controls for variation across geographic region.

### 3.2 METHODOLOGY

The dependent variable for this analysis is the occurrence of allocated delegation on a USAID project. Chapter 1 defines allocated delegation as the contract specifications that delegate decision-making power over project activity design to project beneficiaries. Chapter 2 identifies a set of projects with no allocated delegation, and two types of allocated delegation specified in contracts: Allocated Delegation Type 1: Government as Key Decision-Makers, and Allocated Delegation Type 2: Hybrid Decision-Making with Non-Government and Government Actors.

Allocated delegation was measured from RFP documents using a two-person consensus document coding approach discussed in depth in Chapter 2. For ease of discussing the methodology and presenting the results, I include Table 3.2 below to describe the scale and provide nomenclature used to refer to the allocated delegation scale categories.

Table 3.2. Abbreviations of the Allocated Delegation Scale

Abbreviation	Allocated Delegation Scale	Description
<b>None</b>	None	No Allocated delegation
<b>Inform</b>	Inform Beneficiaries	<b>Beneficiaries are informed:</b> contractor informs beneficiaries of activities, but does not seek beneficiary response or reaction. Beneficiaries can choose to opt in or out as a result of this information.
<b>Consult</b>	Consult Beneficiaries	<b>Beneficiaries are consulted:</b> contractor presents a set of intended activities to beneficiaries and asks them to provide input for adjustments to make it more appropriate or effective given their needs and context.
<b>Specific Activities</b>	Beneficiaries Contribute to Specific Activities	<b>Beneficiaries are engaged in making decisions about specific activities:</b> contractor asks beneficiaries to propose ideas for local needs, target areas, and activities. This is often done through asking for individuals to express their needs and priorities in a ‘needs assessment’; or through asking beneficiaries to submit grant applications proposing specific activities to accomplish a defined goal.

<b>Type of Activity</b>	Beneficiaries Determine Type of Activity	<b><u>Beneficiaries are engaged in making decisions about the type of activity and specific activities:</u></b> contractor asks beneficiaries to submit grant applications proposing specific activities within a particular sector, leaving open the type of activity.
<b>Sector of Activity</b>	Beneficiaries Determine Sector of Activity	<b><u>Beneficiaries are engaged in making decisions about the sector, type of activity, and specific activities:</u></b> contractor asks beneficiaries to submit grant applications proposing specific activities, giving beneficiaries a choice between multiple sectors the project is working in.
<b>Full Beneficiary Delegation</b>	Full Beneficiary Delegation	<b><u>Beneficiaries are given free rein to propose any activity without constraint or limitation such as sector, development goal or strategic aid priority.</u></b>

The categorical output variable from Chapter 2 was turned into a binary variable that codes the presence of allocated delegation. No allocated delegation comprises projects in which the highest level of decision-making was coded as None and Inform (see Tables 2.2 and 3.x). The remaining categories (Consult, Specific Activities, Type of Activity, and Sector of Activity) were coded as having allocated delegation. This breakpoint, reflecting the clustering results in Chapter 2, was based on the fact that Inform does not delegate decision-making power over project activity selection and design. I also generated two additional outcome variables that code for the presence of Allocated Delegation Type 1 (delegation to governments) and Allocated Delegation Type 2 (delegation to non-government). Data size constraints prevented the use of multinomial dependent variables.

Data from contract solicitation documents (RFPs) was gathered using a document-coding approach, via a two-person consensus model to ensure higher levels of replicability and accuracy. Two independent coders reviewed RFP documentation and assigned values to all variables as laid out in a codebook (see Appendix A), including the dependent variable as well as the measures of perceived uncertainty (goal ambiguity and problem complexity), relationship strength (formal bilateral agreement governs the project), and behavior vs. systems change

project focus. Control variables were also collected from the RFP. Data for the remaining independent variables was collected from Polity IV, UNDP Human Development Index, World Bank data, and GovTribe.

### 3.3 RESULTS

Binary logistic regression models tested the presence of allocated delegation, then the presence of each type of allocated delegation (presence of Type 1, then presence of Type 2).

#### Model 1

$$\text{Prob}[\text{Allocated Delegation (either type)}] = \text{Uncertainty (Goal Ambiguity + Problem Complexity)} \\ + \text{Relationship Strength (Implementing Partner Obligations + Host Country Alignment +} \\ \text{Ideological Consistency: Degree of Democracy + Ideological Consistency: Control of} \\ \text{Corruption)} + \text{Local Capacity (Level of Education)} + \text{Individual Behavior Change Focus +} \\ \text{Control Variables (Region + log(Burn Rate) + Start Year)} + E$$

The regression models testing for the presence of each type of allocated delegation were comprised of the same explanatory factors, but different dependent variables: Model 2 predicts the Prob [Allocated Delegation Type 1: Government as Key Decision-Makers]; and Model 3 predicts the Prob [Allocated Delegation Type 2: Hybrid Decision-Making with Non-Government and Government Actors].

For each model, I present the coefficient and odds ratio for each explanatory factor. The odds ratio tells us the impact that a one-unit increase in the explanatory factor has on likelihood of allocated delegation occurring. For example, if an explanatory variable has an odds ratio of 1.3, then a one-unit increase in the explanatory variable increases the likelihood of a project having allocated delegation by a factor of 1.3, or rather, allocated delegation is thirty percent more likely to occur.

I consider multiple iterations of the models to compare goodness of fit using the AIC value, and report results for two versions of each model: 1) a model that includes all theoretically

relevant variables as reflected in the proposed framework, and 2) a parsimonious model that includes only variables that improve model fit (as demonstrated by the lowest AIC value). For the complete and parsimonious models, odds are reported alongside the coefficients to facilitate interpretation of the results. I present and discuss both versions to account for theoretical completeness of the proposed model, and then explore the combination of factors that best describe the data.

### 3.3.1 *Predicting the Occurrence of Allocated Delegation*

The models below present the full hypothesized theory and a parsimonious model, with just the variables that create the ‘best fit’ with the data (the lowest AIC value). The parsimonious regression equation for the parsimonious model determined through the analysis is:

#### Parsimonious Model

$$\text{Prob |Allocated Delegation|} = \text{Uncertainty (Problem Complexity) + Relationship Strength} \\ \text{(Implementing Partner Obligations + Ideological Consistency: Polity) + Control Variables} \\ \text{(Region + log(Burn Rate) + Start Year) + E}$$

The regression results for both the full and parsimonious models are shown in Table 3.3.

Table 3.3. Regression Output for Model 1: Occurrence of Allocated Delegation (any type)

Allocated Delegation any type	Dependent Variable:			
	Allocated Delegation (Yes/No)			
	Full Model		Parsimonious Model	
	Coefficient	Odds Ratio	Coefficient	Odds
Goal Ambiguity	0	1.00		
Problem Complexity	0.327*	1.378*	0.275*	1.32*
Relationship Strength: Ideological Consistency(Polity) (t-1)	-0.083*	0.920*	-0.00662	0.936
Relationship Strength: Formal Host Country Alignment	-0.299	0.742		
Relationship Strength: Control of Corruption (t-1)	-0.05	0.951		
Relationship Strength: Total Implementing Partner Obligations (t-1)	0	1.000	0.00	1.00
Local Capacity (t-1)	0.01	1.014		
Individual Behavioral Change Focus	0.081	1.085		
<i>Region Referent: Afghanistan &amp; Pakistan</i>				
Region: Africa	-1.533	0.216	-0.96	0.38
Region: Asia	-1.556	0.211	-0.89	0.41
Region: Eastern Europe and Eurasia	-1.126	0.324	-0.63	0.53
Region: Latin America & Caribbean	-0.6098	0.543	0.05	1.05
Region: Middle East	-1.167	0.311	-0.40	0.67
Region: Multiple	-19.82	0.000	-17.89	0.00
log(Burn Rate)	0.3707	1.449	0.29	1.34
<i>Start Year Fixed Effects collapsed</i>	---	---	---	---
Constant	-4.706	9.00E-03	-3.46	3.14E-02
Observations	230		232	
Log Likelihood	-120.7 df = 24		-128.47 df = 11	
Akaike Inf. Crit.	289.5		278.9	
Note:	. ' p<0.1; '* p<0.05; '** p<0.01; '***' p<0.001			

Uncertainty: Problem Complexity is the only variable that has a statistically significant relationship with the occurrence of allocated delegation in both the full model and parsimonious model at a level of  $p < 0.05$ . Relationship Strength: Polity also has a statistically significant relationship with the occurrence of allocated delegation; however, this variable is only the case at the  $p < 0.05$  level in the full model, whereas the relationship is significant at the  $p < 0.1$  level in the parsimonious model.

### 3.3.1.1 Uncertainty: Problem Complexity

As the degree of problem complexity (uncertainty) increases (by one additional subcomponent per project), the project is more likely to have allocated delegation, by a factor of 1.378 in the

full model, and by a factor of 1.32 in the parsimonious model. The direction of the coefficients is contrary to the predicted direction of the relationship. The hypothesis, which predicted that in the context of increased levels of complexity (and therefore uncertainty), donors would endeavor to reduce the risk of contract failure by limiting delegated decision-making power to the extent possible (Williamson, 1979; Williamson, 1981; Walker et al., 1984; Anderson et al., 1986; Bajari et al., 2001; Brown et al., 2003; Perner et al., 2014; Cooper, 1980). Instead, allocated delegation occurs with higher degrees of problem complexity, a finding consistent with literature supporting the idea that those closest to implementation can most appropriately specify activities (Lipsky, 2010; Mosse, 2005; May et al., 2009; Korten, 1980).

These results suggest that participatory development has been used as a tool to make aid work more effective by tailoring it to the local level: the more complex and uncertain a project is, the more local input is needed to generate locally appropriate solutions and tailor ideas to the local level. This finding suggests that USAID embraces the need for beneficiary engagement in decision-making in the face of increasing project uncertainty. It is noteworthy that Goal Ambiguity is neither included in the parsimonious model nor statistically significant in the complete model. This signals that USAID may know *what* they want to do (and as a result are not delegating goal definition to beneficiaries), but they often require input on *how* to accomplish goals with increasing complexity.

#### 3.3.1.2 Relationship Strength: Polity

Relationship Strength: Polity is significant only in the full model at the  $p < 0.05$  level. The higher the polity score (i.e. the more democratic the recipient country government is), the less likely a project is to have allocated delegation by a factor of 0.920. In other words, the less democratic a country is, the more likely their government is to receive allocated delegation. The parsimonious

model, while only significant at the  $p < 0.1$  level, shows a relationship in the same direction and with a similar odds ratio: 0.936. This surprising result likely reflects two key factors. First, one of the express goals of USAID is to promote democratic governments globally, including an overarching goal to “Build[] open, responsive, and accountable institutions and processes that serve the needs and preferences of the public” (USAID, 2020). As a result of these goals, USAID likely targets governments with lower levels of democracy for additional assistance in building stronger democratic institutions. In fact, review of RFP documents reveals that many projects work directly with the recipient government in two ways: 1) to improve the effectiveness, efficiency, transparency, and/or accountability of specific government institutions by working directly with the targeted government actors (including via their engagement in decision-making about project activity selection and design), and 2) to ensure alignment of project activities with existing recipient government priorities and work (also including via their engagement in decision-making about project activity selection and design). This express intent to build democratic institutions, coupled with a pattern of projects that work collaboratively with recipient governments to define priorities and activities, may help explain this result.

The following two sections report findings for Models 2 and 3, exploring predictive factors for each type of allocated delegation. The presence of a formal host country agreement between the donor and recipient country, and the type of project (individual behavior change vs institutional or systems change-focused) predict the occurrence of both types of allocated delegation. Relationship Strength: Polity also predicts the occurrence of Allocated Delegation Type 1: Government as Key Decision-Makers; and local capacity also predicts the occurrence of Allocated Delegation Type 2: Hybrid Decision-Making with Non-Government and Government Actors.

### 3.3.2 *Predicting the Allocated Delegation Types: Allocated Delegation Type 1: Government as Key Decision-Makers*

Projects grouped as Allocated Delegation Type 1: Government as key Decision-Makers feature government actors as the primary beneficiary decision-makers and have moderate degrees of allocated delegation (Consultation with beneficiaries and engaging beneficiaries in designing Specific Activities on the allocated delegation scale). Beneficiaries on these projects are engaged using participation tools that imply higher levels of collaboration such as joint determination of project priorities, joint decision-making about project activities, vetting activities before their selection, and deliberative consultation.

Using the occurrence of Allocated Delegation Type 1 as the binary dependent variable, I ran a model that included all the theoretical predictors in the proposed theory, as well as a parsimonious model with the combination of variables that create the model with the best fit to the data (lowest AIC value). The parsimonious regression equation for the parsimonious model determined through the analysis is:

#### Parsimonious Model

$$\text{Prob |Allocated Delegation Type 1|} = \text{Relationship Strength (Ideological Consistency: Polity + Formal Host Country Alignment + Implementing Partner Obligations)} + \text{Individual Behavioral Change Focus} + \text{Control Variables (Start Year)} + E$$

The regression results for both the full and parsimonious models are shown in Table 3.4.

Table 3.4. Regression Output for Model 2: Occurrence of Allocated Delegation Type 1

Allocated Delegation Type 1: Government as Key Decision-Makers				
	Dependent Variable:			
	Allocated Delegation TYPE 1(Yes/No)			
	Full Model		Parsimonious Model	
	Coefficient	Odds Ratio	Coefficient	Odds
Goal Ambiguity	0.002	1.002		
Problem Complexity	0.017	1.017		
Relationship Strength: Ideological Consistency(Polity) (t-1)	-0.09822*	0.906*	-0.074*	0.928*
Relationship Strength: Formal Host Country Alignment	0.7429*	2.102*	0.668 .	1.951 .
Relationship Strength: Control of Corruption (t-1)	0.360	1.433		
Relationship Strength: Total Implementing Partner Obligations (t-1)	0.000	1.000	0.00	1.000
Local Capacity (t-1)	-0.020	0.980		
Individual Behavioral Change Focus	-1.281***	0.2778***	-1.34***	0.262***
<i>Region Referent: Afghanistan &amp; Pakistan</i>				
Region: Africa	0.007	1.007		
Region: Asia	-0.268	0.765		
Region: Eastern Europe and Eurasia	0.451	1.571		
Region: Latin America & Caribbean	0.613	1.846		
Region: Middle East	-0.223	0.800		
Region: Multiple	-13.670	0.000		
log(Burn Rate)	-0.056	0.945		
<i>Start Year Fixed Effects Collapsed</i>	---	---	---	---
Constant	-14.510	0.000	-15.24	0.000
Observations	216		218	
Log Likelihood	-107.92 , df = 24		-110.43, df = 14	
Akaike Inf. Crit.	263.84		246.87	
Note:	. . p<0.1; *p<0.05; **p<0.01; ***p<0.001			

Under both models, Relationship Strength: Ideological Consistency: Polity, and Individual Behavioral Change Focus have a statistically significant relationship with allocated delegation (at the  $p<0.05$  and  $p<0.001$  levels respectively). Relationship Strength: Formal Host Country Alignment is also significant in the full model at the  $p<0.05$  level, but only at the  $p<0.1$  level in the parsimonious model. Interestingly, neither measurement of Uncertainty is statistically significant nor present in the parsimonious model. This suggests that when delegating decision-making power to recipient governments, the goal of participation may not be to incorporate otherwise unknown knowledge into project activities, thereby overcoming a lack of knowledge about what to do and how to do it. Rather, the goal may be to let governments steer project goals in their own countries, as is supported by global agreements such as the Paris

Declaration. Such an approach is called country-led development, and calls for donors to both collaborate with and defer to recipient country governments in defining the agenda for foreign assistance in their countries, which are then formalized into country strategies (White, 1999; Dabelstein et al., 2013; OECD, 2008; Jin et al. in La Chimia et al., 2019).

### 3.3.2.1 Relationship Strength: Ideological Consistency: Polity

Allocated Delegation Type 1 is clearly driving the appearance of Relationship Strength: Polity in the first model (occurrence of any type of allocated delegation) as it appears in both the full and parsimonious models here, and not in the model predicting the occurrence of Type 2 allocated delegation. As the recipient country's polity score increases, the likelihood of allocated delegation Type 1 decreases by a factor of 0.906 in the full model and 0.928 in the parsimonious model. All projects with this type of allocated delegation specify decision-making power for government beneficiaries. As noted above, this is likely due to either an explicit effort to strengthen democratic institutions in countries with lower levels of democracy, and further international agreements like the Paris Declaration that promote country-led approaches to development.

### 3.3.2.2 Formal Host Country Alignment

Having a formal bilateral agreement with the host country that the project directly responds to increases the likelihood of having Type 1 by a factor of 2.102 in the full model, and 1.951 in the parsimonious model, though the relationship in the parsimonious model is only significant at the  $p < 0.1$  level. This finding is somewhat unsurprising; when the project is designed in response to existing priorities jointly identified between the donor and recipient countries, it makes sense that the project would want to ensure the recipient government continues to be involved in jointly

determining project priorities and activities. This also strongly supports the idea that USAID is responding to agreements like the Paris Declaration to pursue country-led development efforts.

### 3.3.2.3 Individual Behavior Change Focus

Projects from a sector focused on behavior change at the individual level (and not the institutional or systems level) decreases the likelihood of Allocated Delegation Type 1 by a factor of 0.2778 in full model and 0.262 in the parsimonious model. In other words, projects that focus more on institutional-level change are more likely to have allocated delegation Type 1. As these projects largely work with governments and seek change at within governmental organizations, this finding makes sense.

### 3.3.3 *Predicting Allocated Delegation Types: Allocated Delegation Type 2: - Hybrid Decision-Making with Non-Government and Government Actors*

Projects grouped as Allocated Delegation Type 2 feature non-governmental actors as key beneficiary decision-makers with some government decision-making in a high-level steering role, with a higher degree of allocated delegation including the categories of Consult with beneficiaries, engage beneficiaries to suggest Specific Activities, determine the Type of Activity, and the Sector of Activity. However, the participation tools specified to delegate decision-making power gather ideas from beneficiaries, such as consultation, information on preferences from needs assessments, and ideas for project activities in grant proposals. Once these ideas are gathered, the project makes the final selection of activities without direct beneficiary engagement, and beneficiaries often have little recourse if they do not like the outcome.

Using the occurrence of Allocated Delegation Type 2 as the binary dependent variable, I again included the full and parsimonious model. The regression equation for the parsimonious model determined through the analysis is:

### Parsimonious Model

$$\text{Prob [Allocated Delegation Type 2]} = \text{Uncertainty (Problem Complexity) + Relationship Strength (Implementing Partner Obligations + Formal Host Country Alignment) + Local Capacity + Individual Behavior Change Focus + Control Variables (Burn Rate + Start Year) + E}$$

The regression results for both the full and parsimonious models are shown in Table 3.5.

Table 3.5. Regression Output for Model 3: Occurrence of Allocated Delegation Type 2

Allocated Delegation Type 2: Hybrid Decision-Making with Non-Government and Government Actors				
	Dependent Variable:			
	Allocated Delegation Type 2 (Yes/No)			
	Full Model		Parsimonious Model	
	Coefficient	Odds Ratio	Coefficient	Odds
Goal Ambiguity	0.001	1.001		
Problem Complexity	0.236 .	1.267 .	0.169	1.184
Relationship Strength: Ideological Consistency(Polity) (t-1)	0.035	1.035		
Relationship Strength: Formal Host Country Alignment	-1.223***	0.294***	-1.00*	0.368*
Relationship Strength: Control of Corruption (t-1)	-0.315	0.730		
Relationship Strength: Total Implementing Partner Obligations (t-1)	0.000	1.000	0.000	1.000
Local Capacity (t-1)	0.046*	1.047*	0.0215 .	1.022 .
Individual Behavioral Change Focus	1.022**	2.778**	0.9004**	2.461**
<i>Region Referent: Afghanistan &amp; Pakistan</i>				
Region: Africa	-1.254 .	0.285 .		
Region: Asia	-1.435	0.238		
Region: Eastern Europe and Eurasia	-2.105 .	0.122 .		
Region: Latin America & Caribbean	-1.388	0.250		
Region: Middle East	-1.038	0.354		
Region: Multiple	-19.520	0.000		
log(Burn Rate)	0.353	1.423	0.307	1.359
<i>Start Year Fixed Effects Collapsed</i>	---	---	---	---
Constant	-6.123 .	0.002 .	-5.01	0.007
Observations	216		218	
Log Likelihood	-117.8, df = 24		-123.91, df = 15	
Akaike Inf. Crit.	289.46		277.82	
Note:	!.! p<0.1 !*! p<0.05; !***! p<0.01; !****! p<0.001;			

Under both models, Formal Host Country Alignment is again statistically significant ( $p < 0.001$  in the full model and  $p < 0.05$  in the parsimonious model), as is Individual vs. Systemic Behavior Change Focus ( $p < 0.01$  in both models). Local Capacity is statistically significant in the full model at the level of  $p < 0.05$ , and at the level of  $p < 0.1$  in the parsimonious model.

Uncertainty: Problem Complexity is significant only at the  $p < 0.1$  level and only in the full model, though the variable does persist in the parsimonious model.

It is surprising that Relationship Strength: Control of Corruption is not statistically significant given the finding in Chapter 2 that all projects in the one of the two clusters which form Type 2 have a consistently low degree of corruption control (in other words, high levels of corruption). However, this cluster was very small with only 16 observations, representing only 15% of the projects in Allocated Delegation Type 2. This finding clearly indicates that the remaining 85% of projects in this type of allocated delegation do not also consistently occur in countries with higher levels of corruption.

#### 3.3.3.1 Formal Host Country Alignment

Having a formal bilateral agreement with the host country that the project directly responds to makes having Allocated Delegation Type 2 less likely by a factor of 0.294 in the full model, and 0.368 in the parsimonious model. This finding mirrors that in the model analyzing Type 1 Allocated Delegation. Just as with the findings of the Type 1 model, this finding is unsurprising. When a project is not designed in response to existing priorities jointly identified between the donor and recipient countries, then a project works less often with government actors to specify and design project activities.

### 3.3.3.2 Individual Behavioral Change Focus

Projects from a sector focused on behavior change at the individual level (and not the systems or institutional level) increases the likelihood of Allocated Delegation Type 2 by 2.778 in full model and 2.461 in the parsimonious model. This finding suggests that projects more aimed at affecting change at the level of individual behavior (and not institutional-level change) are more likely to delegate decision-making power to non-government (aka non-institutional) actors. As would be expected, this finding is the opposite of that found in the model studying Allocated Delegation Type 1 to government actors.

### 3.3.3.3 Local Capacity

Higher levels of local capacity make having Allocated Delegation Type 2 more likely. A one percent increase in a country's level of capacity (as measured by their education index) increases the likelihood of Allocated Delegation Type 2 by a factor of 1.047 in the full model, and 1.022 in the parsimonious model (though the finding in the parsimonious model is only significant at the  $p < 0.1$  level). This finding is in the expected direction given the hypothesis.

### 3.3.4 *Comparing Results Across Models*

There are two types of findings identified in this chapter: those that predict the occurrence of any type of allocated delegation, and those that predict the occurrence of each of the two types of allocated delegation separately. First, I identified predictors of any type of allocated delegation as Uncertainty: Problem Complexity, which is robust to the inclusion of different combination of variables in the model. The relationship found, however, is not in the expected direction. Second, the models predicting each type of allocated delegation do not find a statistically significant relationship between either Goal Ambiguity or Problem Complexity at a level of  $p < 0.05$ .

*H<sub>1A</sub>: Projects with higher degrees of perceived uncertainty will have less allocated delegation.*

I reject H<sub>1A</sub>, instead finding that higher degrees of uncertainty lead to higher degrees of all types of allocated delegation in the case of problem complexity. The more complex a project, the harder it is to know how to achieve the agency's development goals. When faced with this type of uncertainty, local beneficiaries with contextual knowledge can help design approaches and activities compatible with the local context. In particular, they can provide information about local manifestations of relevant problems and potential local solutions. By integrating local knowledge and technical experts from the contractor team, USAID likely has a better chance of effectively linking project work with project goals, leading to larger development impacts. This is the key argument for participatory development.

None of the models result in significance for Uncertainty: Goal Ambiguity. This is likely due to the measurement method. Percentage of required and illustrative indicators that are workload- vs. results-oriented may not reflect goal ambiguity in the foreign aid context, particularly since final indicators are often chosen and refined after contractor selection, with many changes from the RFP. On the other hand, this may be a signal that goals, while typically well-defined at the top, require delegated decision-making power to appropriately tailor. This conclusion would fit with the descriptive analysis of allocated delegation in Chapter 2 which found no evidence of delegated decision-making power in the highest category on the allocated delegation scale. Since no projects in the dataset fall into the category of Full Delegation, *some* goals are always specified at the project level.

*H<sub>1B</sub>: Projects in sectors that are ‘people/behavior change focused’ (agriculture, economic growth, environment) will have more allocated delegation.*

Behavioral Change Focus is not predictive of all types of allocated delegation jointly, but rather does predict whether each type of allocated delegation occurs. This finding tells us that, unsurprisingly, projects which primarily engage non-government actors in decision-making activities are likely to be focused on individual-level change, and projects that engage primarily with government actors are likely to be focused on institutional-level change.

*H<sub>1C</sub>: Projects with stronger relationships between the delegator and recipient of decision-making power will have more allocated delegation.*

This hypothesis has mixed results by variable and by model. There are two types of Relationship Strength that have statistically significant relationships with allocated delegation: Formal Host Country Alignment and Ideological Consistency: Polity. Formal Host Country Alignment predicts whether each type of allocated delegation will occur: in the presence of formal, bilateral agreement about foreign assistance, government beneficiaries have a higher likelihood of receiving allocated delegation (under type 1 allocated delegation). In the absence of such an alignment, projects that include decision-making power for non-government actors (under type 2 allocated delegation) are more likely to be have allocated delegation.

Ideological Consistency: Polity is a significant predictive factor for the presence of allocated delegation Type 1: Government as Key Decision-Makers. This result is likely driving the statistically significant relationship in the full model for all allocated delegation. As discussed above, there is a surprising relationship between Polity and allocated

delegation: the less democratic a recipient government beneficiary, the more likely they are to receive allocated delegation. However, this finding makes sense when considering the explicit USAID goal of building and strengthening democratic institutions while simultaneously promoting the country-led ownership process that is championed by global aid effectiveness agreements.

*H<sub>ID</sub>: Projects in countries with higher perceived local capacity will have more allocated delegation.*

This hypothesis is only supported in one set of models: Allocated Delegation Type 2, but is only significant at the  $p < 0.05$  level in the full model. This finding is in the direction predicted by the hypothesis, and reflects the widely-held belief that higher degrees of local capacity among citizens makes for a more successful participation process (Mansuri et al., 2013).

### 3.3.5 *Limitations*

The empirical test in this chapter looks solely at U.S. Government-issued contracts via the U.S. Agency for International Development. Some development professionals argue that the most appropriate vehicle for the more grassroots model of participatory development actually occurs through a different mechanism, namely grants. Of note, there is a special category of grants oft-referenced in this context: Global Development Alliance grants. Future work will look explicitly at the USAID grants for the same period, including those for Global Development Alliances. Though infrequent, ‘specialty’ grants, they may add an interesting and nuanced expansion to this study. However, a main purpose of this project is to understand how participatory development and foreign aid delivery co-exist, requiring a look at the primary mechanism used to deliver aid activities. Given that contracts are, in theory, meant to be less flexible and participatory

mechanisms than grants, they constitute an even more ‘difficult case.’ Identifying allocated delegation in this case signals its stronger appearance elsewhere, following the logic set up in Chapter 2.

Further, these grants (especially larger-scale grants) are governed by the exact same top-down implementation processes as contracts. Follow-up interviews with directors of USAID grant programs note some additional flexibility on certain aspects of project implementation, but report a number of constraints characteristic of the top-down aid delivery system. Initial evidence points to similar experiences with beneficiary decision-making as described for contracts. Future work will explore the differences and similarities, focusing in particular on whether and how allocated delegation occurs when implemented via grant mechanisms.

A second limitation concerns the exclusion of task order projects from the dataset. Task orders, by definition, are not publicly competed. Instead, contractors compete for an initial ‘umbrella’ contract (and IQC). When a set of contractors is awarded the IQC, they then privately compete for any projects (called task orders) that fall within the IQC over an established period of time. While the IQC competition is public and included in the dataset, there is rarely sufficient information to capture measures of allocated delegation, which differs by task order. Therefore, the dataset is missing a portion of projects.

However, whether a project is competed individually or under an IQC is orthogonal to its degree of delegated beneficiary decision-making power. IQCs, also known as IDIQs, are a way of obligating significant amounts of funding for multiple awards at one time without specifying the exact awards up front. In foreign aid, these vehicles are used either to set aside funding in specific sectors for cross-cutting themes (youth empowerment and development or climate change), for clustered activities (sets of food security monitoring activities—one task order for

each section of the globe), or for activities needing swifter response than possible with a typical competitive process (re-stabilization and political transitions). None of these factors seem to overlap with beneficiary decision-making delegation. Further, my experience implementing both types of contract in a foreign aid context has demonstrated that the full variation of allocated delegation occurs in both cases, and with no observable systematic differences. This means that excluding task orders should not introduce any bias into the dataset with regard to allocated delegation.

A final key limitation of the analysis and results is a potential missing explanatory variable. As explained in Chapter 1, the occurrence of allocated delegation may be partly caused by the contract writer's opinions about participation, and/or influenced by variation in agency-level interpretation of institutional incentives, or differences in preferences for participation across missions and offices. Instead of including this potential cause of variation in allocated delegation in the empirical analyses above, I hold them constant. In doing so, I assume that institutional incentives, their interpretation, and their application by different missions, offices, and contract writers are constant across all projects in the dataset. Though holding these factors constant is a limitation of this chapter, doing so allows me to obtain and test data for hundreds of aid projects, enabling a cross-project and cross-region study, and to focus at the level of study intended: project contracts. As such, it is important to note that the results generated in this study may be in part driven by variation within agency incentives for participation facing contract writers, and within how different offices and missions interpret and apply these incentives.

In addition to limitations from missing independent variables, alternative approaches to measuring the variables included might be more appropriate. The size of financial

interdependence between donor and contractor might be more appropriately modeled by a ratio that considers both the total dollars obligated by the two parties and the percent of the contractor/recipient's budget that is from the donor. Further, contractor experience could also be measured by the number of awards received by the contractor within the year prior to contract start date. Finally, the degree of alignment with the U.S. could have also been measured by the degree to which that country's votes within the United Nations matches those votes of the United States.

### 3.4 DISCUSSION

Taken together, these results indicate that the most important predictor of whether allocated delegation of any type will be specified on a USAID contract is the degree of problem complexity. This is the only finding present in both the full and parsimonious model, and with the largest impact on the likelihood of allocated delegation. The more complex a project is, the more likely allocated delegation is to be specified. This finding supports the underlying argument of why participatory development may be a more effective approach for achieving development goals.

As explained in Chapter 1, local contributions to aid activity decision-making solve a key information problem facing USAID and contractors: a lack of knowledge about how to best address local problems and accomplish development goals in a given local context (World Bank, 1996; UNDP/CSOPP, 1997; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005). By resolving the information problem, projects can implement locally appropriate solutions and presumably improve project effectiveness (Wong, 2012; Avdeenko et al., 2014; World Bank, 1996; UNDP/CSOPP, 1997). This solution would likely be particularly compelling

for USAID if they do not have a pre-established idea of how to accomplish their goals which is particularly salient in a context of high problem complexity), which may help explain why allocated delegation is more likely in the context of higher complexity problems.

If a participatory approach is to be pursued, donors must determine whether to delegate decision-making power primarily to government actors (allocated delegation type 1) or to feature decision-making power also for non-government actors (allocated delegation type 2). Delegation primarily to government beneficiaries occurs when the project is responding to pre-existing bilateral host country agreements that outline joint plans for development work in the recipient country, when the project is focused on institutional and not individual level change, and when the recipient government is less democratic. Having a formal agreement in place and focusing on institutional change has a greater magnitude of impact on the likelihood of allocated delegation than does how democratic the recipient government is, which has only a minor impact.

These results point to a very common, yet little discussed, form of participatory development that reflects the principles of country-led approaches to development. Unlike typical conceptualizations of participatory development that describe grassroots processes at the village level (Mansuri et al., 2013), this type of participatory development delegates decision-making power to recipient governments. This is likely a result of the global norms that incentivize USAID to engage more directly with host country governments in decision-making and implementation. The Paris Declaration and Accra Agreement, for example, explicitly support host country agenda setting and aid implementation, including the joint creation (though led by recipient countries) of country strategies for development (White, 1999; Dabelstein et al., 2013; OECD, 2008; Jin et al. in La Chimia et al., 2019). The approach empowers government institutions and actors to take a leadership role in foreign aid projects, and commonly includes

capacity building and targeted technical assistance to strengthen these institutions and their ability to pursue key development goals, as demonstrated in the contract data coded for this project. The emphasis on institution building is part of USAID's approach to strengthening democracy worldwide. This country-led development appears to play a much larger than expected role in participatory processes.

On the other hand, including delegation for non-government beneficiaries occurs when the project is not under the umbrella of a formal agreement with the host country government, when the project is focused on individual level change and not institutional level change, and when the project is implemented in an environment with higher levels of local capacity. The first two findings are not surprising. When the project is not designed to fulfill bilateral agreements with the host country government, and when the project seeks to make individual-level behavior change, it makes sense that donors would include the delegation of decision-making power for non-governmental actors. Chapter 2 explained that the majority of projects in this type of allocated delegation do also delegate some decision-making power to government beneficiaries in addition to non-government beneficiaries. However, government beneficiary decision-makers play more of a steering role to ensure the selected project activities are in accordance with existing government priorities. This indicates that even when non-governmental actors are the key beneficiary and the project is focused more individual level change, *and* in the absence of a host country agreement, country-led ownership still plays a role in foreign aid work.

While perceived local capacity has the smallest impact on the likelihood of Allocated Delegation type 2, it is perhaps the most interesting finding. Existing literature explains that limited local capacity reduces the success of participatory development (Mansuri et al., 2013), which can occur in two ways: limited capacity reduces the participants' ability to effectively

select or suggest local public problems and interventions via participation tools, and limited capacity to engage in project activity implementation which then decreases the effectiveness of the selected interventions. One USAID project manager explained to me in an interview that the primary reason she might opt out of participatory development with local community members is that they don't have the knowledge and capacity to make decisions about aid activities. Limited technical knowledge seemed to be the biggest concern in engaging beneficiaries in the selection and design of project activities.

Other interviews illuminated that local non-governmental organizations are often engaged in project decision-making through grant solicitations, but that the receipt of these grants requires significant local capacity. In particular, organizational capacity must be quite high to overcome the administrative and financial management burdens of applying and qualifying to receive grant funding. Since organizations must meet strenuous organizational capacity requirements to qualify for grant funding, lower levels of capacity may decrease the use of this key tool to engage non-government actors in decision-making.

Finally, existing literature points to limited local capacity as a source of failure for participatory development interventions (Mansuri et al., 2013). The literature focuses both on a limited ability to engage in community deliberation processes, and a limited capacity to implement community-led interventions. The classic example is the participatory project where a community decides a well would bring clean, accessible water; yet, the community is unable to engage in the necessary cooperative management needed to govern its use, and lacks the knowledge to maintain the equipment. It is certainly possible that experiences where limited capacity have previously hampered development outcomes, and literature that describes these experiences, have disincentivized participatory approaches in areas of low capacity. Further

qualitative research could help unpack the mechanism from local capacity to presence of Allocated Delegation Type 2.

### 3.5 CONCLUSION

The strongest predictor of the occurrence of any type of allocated delegation is the degree of uncertainty, and in particular, problem complexity. Local contributions to decision-making can help identify locally appropriate interventions to accomplish project goals. This incentive yields greater degrees of allocated delegation. Looking at predictors by type of allocated delegation adds clarity and nuance to the findings. The presence of a host country alignment and the type of change the project seeks to make (individual behavior change vs institutional change) predict whether Allocated Delegation Type 1 or 2 will occur. In addition, countries with lower levels of democracy experience a higher rate of Allocated Delegation Type 1, primarily to government beneficiaries; and countries with higher levels of capacity experience a higher rate of Allocated Delegation Type 2 to both non-government and government actors.

These results pertain to contracts issued by USAID, that difficult case in which we would expect to find limited use of allocated delegation. However, this study found widespread use of allocated delegation, and common conditions under which it occurs. These findings, therefore, are expected to hold with other bilateral aid donors. If other donors have less restrictive aid delivery structures, we might expect not only additional allocated delegation, but additional conditions that encourage its use. In other words, the bar for using allocated delegation would likely be lower, and so factors in addition to those found to be predictive in this study may also predict it.

Additional research on the results in this chapter would be illuminating. In particular, studying other bilateral aid donors would test the generalizability. Further, qualitative research with donors' contract writers and others involved in the contract design process would be helpful. Qualitative data could also help unpack the role of relationship strength, and how contract designers' preferences and institutional expectations and pressures play a role in allocated delegation.

However, the contract specifications are only one piece of the puzzle. What happens once a contract is signed and implementation begins? Is allocated delegation implemented as specified in the contract? What do projects do with beneficiary decisions? How do beneficiaries experience this decision-making process? Chapter 4 explores these questions by analyzing eight cases through a field-based process-tracing exercise. The results allow us to test a significant portion of the theory proposed in Chapter 1 and garner a more in-depth and nuanced understanding of the relationship between allocated and implemented.

## Chapter 4. IMPLEMENTING CONTRACT SPECIFICATIONS FOR BENEFICIARY DECISION-MAKING ON FOREIGN AID PROJECT ACTIVITIES: A FIELD STUDY

### 4.1 INTRODUCTION

Foreign aid donors frequently specify expectations of contractors for the delegation of decision-making power to their intended beneficiaries in projects contracts (allocated delegation), as demonstrated by Chapter 2. Allocated delegation occurs on over 70% of US foreign aid contracts despite the expectation laid out in Chapter 1 that the delegation would be infrequent given the significant institutional incentives that limit flexibility for delegated decision-making power. Chapter 2 further found that full decision-making power is never delegated, and that allocated delegation is most commonly concentrated across projects at moderate levels: consulting with beneficiaries to improve activity ideas, and soliciting activity ideas within certain parameters; and never reaches the level of full delegation (where beneficiaries can select activity goals, and then design the activity). Chapter 3 found that allocated delegation occurs when the project targets highly complex problems, and that different types of allocated delegation are predicted by different sets of factors.

However, prior chapters focused on exploring variation within and predicting the occurrence of allocated delegation. This chapter turns to what happens once a contract is written: how do contractors respond to allocated delegation? How does allocated delegation influence implemented delegation and beneficiary influence over project activity selection and design?

Though contractors respond to allocated delegation as specified in contracts, they may be simultaneously responding to a variety of other factors as they implement foreign aid projects

such as contract objectives and institutional regulations, among others. These factors may affect how contractors respond to allocated delegation and determine how much decision-making power to actually delegate to beneficiaries. This chapter explores the extent to which contractors delegate the same degree of decision-making power that is specified via allocated delegation during implementation, and the factors that influence whether more or less allocation is delegated. Specifically, I ask: to what extent and under which conditions is allocated delegation implemented in practice by contractors to create mechanisms for beneficiary input? Once beneficiaries express preferences and decisions about which project activities to implement and how to design them, to what extent and under which conditions does this input influence project activities?

Chapter 1 reviewed literature demonstrating the multiple incentives and constraints that are likely to decrease the degree of decision-making power delegated during the implementation of foreign aid contracts, including those that incentivize goal alignment between donor and contractor, rapid achievement of results, and compliance with administrative procedures and information requirements (Gibson et al., 2005; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005; Cooke et al., 2001, Maartens 2002). This literature would lead us to believe that less decision-making power would be delegated during implementation than is specified in the contract. Surprisingly, this chapter shows that in 91% of cases, allocated delegation serves as floor: contractors implement the specified degree of allocated delegation (both presence and absence of delegation), or delegate additional decision-making power during implementation (more than specified). In only 9% of cases, contractors implement less delegation than specified in the contract. Additional decision-making power is delegated to institutionalized beneficiary actors, and most commonly to recipient government beneficiaries.

Further, when beneficiary influence over project activity selection and design occurs, it is always preceded by implemented delegation (as initiated by either the project or beneficiaries), though there are circumstances when beneficiary decisions collected during implemented delegation are not used to inform project activity decisions. Further, the degree to which beneficiaries influence project activities is observed to decrease based on contract and institutional constraints, the degree of blocking power held by beneficiaries, and the number of different beneficiary decisions.

To explore how and when implemented delegation and beneficiary influence meet the expectations set out in Chapter 1 and where they diverge from these expectations, I disaggregate beneficiary participation on foreign aid projects into three key steps: allocated delegation, implemented delegation, and beneficiary influence as outlined in Chapter 1 and the theoretical framework. The process begins when a contractor is awarded a contract that specifies the scope of work, including project goals, sub-goals, and varying degrees of specificity about project activities to accomplish those goals. Included project activities are generally described at a high level, and need to be further defined before implementation. In other words, significant work is required to turn the contract's more general specifications for the project strategy and activities in the scope of work into a workplan that features specific and detailed project activities. The contract may also require beneficiaries to be involved in making decisions about which project activities to select and how to design them. I define **allocated delegation** as contract specifications for beneficiary engagement in making decisions about project activity selection and design. For example, a contract may say, 'Financial literacy trainings should be designed based on a needs assessment in each target community to identify the topics to be covered.' This explicit contract requirement is an example of allocated delegation.

During **implemented delegation**, the contractor would apply the participation tools identified in allocated delegation as specified in the contract to engage beneficiaries in decision-making. As a result of applying the participation tools, beneficiaries may be given the opportunity to provide the contractor with their preferences for which activities should be selected and/or how they should be designed. I call this output of participation activities, *beneficiary decisions*. Implemented delegation is the process of applying the specified allocated delegation by carrying out the designated participation tools and collecting the resulting beneficiary decisions. An example of implemented delegation would be a contractor carrying out a needs assessment in their target community in response to allocated delegation specifications which state that financial literacy training should be designed based on a needs assessment. The resulting beneficiary decisions might include preferences for topics covering budgeting and debt.

Armed with these beneficiary decisions about which project activities they would like selected for implementation by the contractor and how they should be designed, contractors write a workplan with their set of fully-designed project activities. For example, they would make the final decisions about which financial literacy training topics to select. They may base these activity selections on beneficiary decisions (to base the trainings on budget and debt), they may disregard beneficiary decisions entirely, or they may partially base activities on beneficiary decisions. If the selected project activities reflect the beneficiary decisions collected during implemented delegation, then **beneficiaries influence** has occurred. In other words, beneficiary influence happens when the contractor's final decisions about project activity selection and design are influenced by the beneficiary decisions collected during implemented delegation. Following the financial literacy training example, if the project decides to design the trainings using the beneficiary decisions, and cover budgeting and debt, then beneficiaries have influenced

the decision. As a simple counterpoint, if the project decides to cover the topics of interest rates and savings, then beneficiaries have not influenced project activities.

Chapter 2 shows that nearly three quarters of USAID project contracts from 2008-2016 specify allocated delegation, stipulating beneficiary participation to select and design project activities. Allocated delegation ranges from nominal degrees (where contractors simply inform beneficiaries of upcoming activities, giving them the opportunity to opt in or out), to moderate degrees (such as consulting with beneficiaries on how to improve pre-existing project activities, to higher degrees (such as inviting beneficiaries to propose fully-designed activity ideas via broad grant proposals).

Yet the degree of decision-making power delegated during contract implementation (as represented by implemented delegation and beneficiary influence) may diverge from the allocated delegation specified in the contract. For example, if a contract specifies allocated delegation as collaborating with the Ministry of Environment to jointly select and design activities that improve the Ministry's prevention of deforestation work, the contractor may react in various ways. They may, in fact, hold meetings with the Ministry's staff and engage in joint-workplanning, thereby fulfilling the allocated delegation. In this case, the degree of decision-making power is unchanged from allocated to implemented delegation. Alternatively, they may generate activity ideas and then present them to the Ministry staff for feedback, asking how to improve or tweak the activities. In this case, the degree of decision-making power is lower than the allocated delegation. Instead of engaging beneficiaries to originate ideas for the specific activities to be implemented, they would be consulting on preset activities defined by the contractor to provide feedback.

Then, the contractor would make decisions about which activities to fund and how to design them. Consider that the Ministry expressed a desire for capacity building for illegal logging detection during the joint-workplanning activity (the beneficiary decision in this case would be for the project to implement this capacity building activity). If the contractor then selected this capacity building activity and implemented it, the degree of decision-making power from implemented delegation to beneficiary influence would be unchanged. However, if the Ministry decision of capacity building to prevent illegal logging were not selected as a project activity, then the degree of decision-making power would be decreased as compared to implemented delegation.

This chapter studies the relationships between allocated delegation, implemented delegation and beneficiary influence, as well as the factors that mediate each relationship, to understand whether the degree of decision-making power allocated in contracts is the same in implemented delegation and beneficiary influence, more, or less. Drawing from the international literature on constraints to delegated decision-making power during implementation discussed above, the theoretical framework in Chapter 1 hypothesizes that the degree of delegated decision-making power delegated during implemented delegation will be the same degree as specified in allocated delegation (i.e. the degree of delegated decision-making power implemented will match the degree that was specified in allocated delegation) *unless* the hypothesized mediating factors alter the occurrence or degree. The theory also hypothesizes that the degree of delegated decision-making power present in beneficiary influence will be the same degree of decision-making power that is delegated during implemented delegation.

Chapter 2 identified three types of projects with respect to allocated delegation. The first type of project has no allocated delegation specified, and represents 27.7% of the dataset studied.

There are then two types of projects with allocated delegation. Projects in Allocated Delegation Type 1: Government as Key Decision-Makers tend to specify allocated delegation primarily for recipient governments, delegate decision-making power to be consulted on improving pre-determined activities and to originate ideas for specific activities, and detail more collaborative participation tools. This type of allocated delegation comprises 30% of the studied USAID projects. On the other hand, projects in Allocated Delegation Type 2: Hybrid Decision-Making with Non-Government and Government Actors specify decision-making power for both non-government and government actors; tend to delegate decision-making power to be consulted on improving pre-determined ideas, to originate ideas for specific activities, and to select the type and sector of the activities they originate; and tend to stipulate less collaborative participation tools. These projects comprise 42.8% of the studied USAID projects. The three types of projects and their relationship to the allocated delegation scale as well as the degree of power conferred by the specified participation tools is demonstrated in Table 4.1.

Table 4.1. Typology of allocated delegation (from Chapter 2)

<b><i>How Much Power do the Participation Tools Provide to Ensure Preferences are Accommodated?</i></b> ↓	<b><i>Degree of Allocated Delegation as per the Allocated Delegation Scale: Over How Much of Project Activity Design Are Preferences Solicited?</i></b>			
	<b>No Allocated Delegation</b> (None and Inform)	<b>Moderate Allocated Delegation</b> (Consult and Originate Specific Activities)	<b>Higher Allocated Delegation</b> (Consult, Originate Specific Activities, Select Type of Activity, Select Sector of Activity)	<b>Highest Allocated Delegation</b> (Full Beneficiary Delegation)
<b>No Power to Ensure Preferences are Accommodated</b>	No Allocated Delegation (27.2% of dataset)	--	--	--
<b>Less Power to Ensure Preferences are Accommodated</b>	--	--	Type 2: Hybrid Decision-Making with Non-Government and Government Actors (42.8% of dataset)	--
<b>More Power to Ensure Preferences are Accommodated</b>	--	Type 1: Government as Key Decision-Makers	--	--

		(30% of dataset)		
<b>Full Power to Ensure Preferences are Accommodated</b>	--	--	--	--

The theoretical framework presented in Chapter 1 predicts the conditions under which the degree of decision-making power that is delegated in the contract (allocated delegation) translates to implemented delegation and subsequently to beneficiary influence. In addition to responding to allocated delegation specified in the contract, contractors face countervailing incentives that both support and limit participatory approaches. Supportive incentives are those that improve effectiveness, efficiency, and sustainability of development work (World Bank, 1996; UNDP/CSOPP, 1997; Biggs et al., 2003; Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005) and those that encourage compliance with pro-participation international agreements and practices (White, 1999; La Chimia et al., 2019; Mansuri et al., 2012; Dabelstein et al., 2013; OECD, 2008). Other incentives to restrict beneficiary participation, such as those embedded in the foreign aid delivery structure ensuring alignment with donor priorities to 1) implement and show results quickly and 2) ensure accountability and responsible use of funds (Gibson et al., 2005; Biggs et al., 2003., Chambers, 1997; Cleaver, 1999; Korten, 1980; Mosse, 2005; Cooke et al., 2001). In previous chapters, the analysis held USAID institutional incentives constant, focusing on how contract specifications affect allocated delegation. Here, I relax that assumption and explore how institutional incentives may vary by project. Agency theory would predict that aid agencies, as principals, structure contract incentives to align agent behavior with their institutional incentives. This alignment may result in delegated decision-making power, or it may result in limited delegation of decision-making power depending on the incentives specified, making the prediction from agency theory ambiguous. Chapter 2 showed that nearly three-quarters of contracts include allocated delegation, with the vast majority occurring at the

more moderate levels of consulting with beneficiaries and engaging beneficiaries to originate ideas for specific activities.

Similarly, we might not expect to see implemented delegation by the contractor without the presence of allocated delegation in the contract. Domestic literature on using government contracts to pursue activities with a citizen participation component shows that contracts can incentivize the use of participation tools (LeRoux, 2009; Mosely, 2012), and that contractors are more likely to engage in participation when it is a contractual requirement (Amirkhanyan et al., 2018; Nishishiba et al., 2012; Nowland-Foreman, 1998).

We might also expect that even when allocated delegation exists, contractors may choose not to translate it fully to beneficiaries due to the highly bureaucratic and top-down nature of bilateral foreign aid donors (Korten, 1980; Mosse, 2005; Biggs et al., 2003). USAID in particular is likely to prioritize accountability over other goals: “USAID is subject to extensive regulation and scrutiny that takes a premium on accountability and measurable results that takes precedence over ... [globally shared] aid effectiveness objectives,” (Jin et al. in La Chimia et al., 2019, 343). This regulation, scrutiny, and result-focused approach likely generates many incentives that serve to limit flexibility for beneficiary participation, which means that contractors may not respond to specifications for allocated delegation.

Yet, this chapter reveals only a few occurrences in which implemented delegation is less than allocated delegation: when grant solicitations are highly specified to reduce the risk of working with inexperienced non-governmental organizations, when needs assessments are not participatory, and when beneficiary training activities opt to comply with contract and USAID specifications for topics instead of engaging beneficiaries to design the curriculum – all despite having these specifications for allocated delegation in the contract. Further, having contractual

reporting requirements incentivizing a prioritization of project goals over beneficiary decision-making is correlated with having less implemented delegation as compared to allocated delegation. Conversely, having project indicators that support participation is correlated with higher rates of implemented delegation. These findings support one of the key predictions from agency theory: foreign aid contracts can be, and often are, intentionally used to incentivize donor priorities, including delegation of decision-making power.

Surprisingly, there are numerous instances where decision-making power is delegated to beneficiaries in the absence of contract specifications for allocated delegation. This leads me to conclude that allocated delegation specified in the contract serves as a floor for beneficiary decision-making power delegation. Unlike the predictions from Chapter 1, in some cases additional decision-making power is delegated beyond what is allocated in the contract, which occurs most often with recipient government beneficiaries or other highly institutionalized beneficiary decision-makers. As a result, the theoretical framework from Chapter 1 should be refined to include the degree of institutionalization or power held by the beneficiary decision-maker is proposed as a mediating variable between allocated and implemented delegation.

On the other hand, consistent with the predictions made in Chapter 1, beneficiary influence only occurs in the presence of implemented delegation (whether it is initiated by the project or by beneficiaries). However, the analysis identifies possible mediating variables that may mediate the relationship between implemented delegation and beneficiary influence. These variables should be tested in future work to explore the extent to which they mediate this relationship, conditional on implemented delegation: 1) constraints from the contract and institutional environment decrease the degree of beneficiary influence, 2) large numbers of beneficiary decisions and preferences means contractors cannot accommodate all decisions

within the bounds of the project, 3) the more institutionalized the beneficiary decision-maker is, the stronger their influence is over activity selection and design, and 4) beneficiaries make unanticipated requests for project assistance, which is a different type of implemented delegation, and the extent to which these requests are accommodated appears to be based on the degree of power held by the beneficiary to block project implementation and completion.

Using data generated from interviews of foreign aid donor staff, contractor staff, and beneficiaries, this chapter compares allocated delegation as specified in contracts to implemented delegation and beneficiary influence. I use fieldwork and process-tracing to test the relevant parts of the proposed theoretical framework from Chapter 1. To my knowledge, this chapter also represents the first effort to interview field-level foreign aid professionals and beneficiaries across projects to understand the dynamics of beneficiary decision-making in participatory foreign aid projects. I show that by focusing on the relationship between the contract specifications and beneficiary decision-making during contract implementation, we can learn when and why beneficiaries participate in influencing projects that are intended to benefit them.

This chapter proceeds by restating the relevant hypotheses from in Chapter 1. It presents the methodology for the process-tracing exercise and fieldwork activity, and, finally, provides and discusses the results of the process tracing exercise and its implications.

## 4.2 RESEARCH STRUCTURE, QUESTIONS, AND HYPOTHESES

Through empirically testing a portion of the theoretical framework in Chapter 1, focusing on identifying and comparing allocated delegation, implemented delegation, and beneficiary influence, this chapter explores whether contract specifications about beneficiary delegation (allocated delegation) affect project implementation (implemented delegation), and in turn

translate into beneficiary influence over project activities. Four subsidiary research questions include:

- To what extent does allocated delegation lead to implemented delegation?
- What conditions influence the extent to which allocated delegation leads to implemented delegation?
- Does implemented delegation lead to beneficiary influence over project activity selection and design?
- What conditions influence the extent to which implemented delegation leads to beneficiary influence over project activity selection and design?

#### 4.2.1 *Hypotheses*

##### 4.2.1.1 Hypotheses Predicting Allocated to Implemented Delegation

I begin by positing one key relationship: allocated delegation predicts implemented delegation.

*H<sub>2A</sub>: The presence of implemented delegation is more likely when preceded by allocated delegation.*

I further hypothesize that incentives supporting or constraining participation and contract managers' support for participation, can affect the odds that implemented delegation will differ from allocated delegation. Contractors respond to explicit incentives in implementing their scope of work, as demonstrated generally as well as in the case of contracting for public participation (Amirkhanyan et al., 2018; LeRoux, 2009; Mosely, 2012; Harris, 2020; Milward et al., 2003). However, in contrast to the approach taken in Chapter 3, I expect institutional incentives to vary by project via pressure placed on contractors from their interactions with USAID, and now measure both contract and institutional incentives. These incentives, sourced from either the

contract itself or the institutional context in which the contract is awarded and managed, may be for specific contract activities or for decision-making structures (Amirkhanyan et al., 2018; LeRoux, 2009; Mosely, 2012; Fung, 2004). Incentives that I measure are: 1) contract incentives: project indicators that support participation and the requirement for grant funds that solicit beneficiary activity proposals; and 2) institutional incentives: contractor perceptions of USAID expectations for a participatory approach and institution-wide framework supporting participation as a priority.

However, contractors may also be constrained by bureaucratic control mechanisms (Gibson et al., 2005; Biggs et al., 2003; Cleaver, 1999; Mosse, 2005), such as pressure to align with donor goals, limited time for implementation and impact achievement, structural requirements, and reporting requirements (Gibson et al., 2005; Biggs et al., 2003; Mosse, 2005, Martens et al., 2005). Constraints that I measure are: 1) contract constraints: funding limitations, limited time for project implementation, project indicators supporting non-participatory goals, reporting requirements, and the need to align all project activities within an established scope; and 2) institutional constraints: USAID regulations, the RFP design process, USAID activity approval requirements, USAID requesting the implementation of specific activities during implementation, and directives from U.S. politics.

I predict that having more incentives for participation and the fewer constraints overriding allocated those for delegation and support, means that implemented delegation as specified is more likely to occur.

*H<sub>2B</sub>: Contract and institutional incentives mediate the relationship between implemented delegation and allocated delegation, making implemented delegation more or less likely given a value of allocated delegation, as follows:*

*H<sub>2B-1</sub>: Contract and institutional incentives that support beneficiary participation mediate the relationship between implemented delegation and allocated delegation, making implemented delegation more likely given a degree of allocated delegation.*

*H<sub>2B-2</sub>: Contract and institutional incentives that limit beneficiary participation mediate the relationship between implemented delegation and allocated delegation, making implemented delegation less likely given a degree of allocated delegation.*

The other circumstance which may influence implemented delegation (given a value of allocated delegation) is the degree of support from the contract manager. Contract managers on public contracts play an important role in guiding and influencing contractor behavior during implementation (Cohen et al., 2002). When CORs support implemented delegation, it is more likely to occur.

*H<sub>2C</sub>: Contract manager<sup>26</sup> support of beneficiary participation mediates the relationship between implemented delegation and allocated delegation, making implemented delegation more likely given a value of allocated delegation.*

As outlined in Hypothesis<sub>2C</sub>, the degree to which a project's COR supports participation may influence the relationship from allocated to implemented delegation. However, systematically measuring the degree to which CORs support participatory processes was not feasible in this study. As with other potential factors that are not included in the empirical analysis but may play a role in mediating the relationship between allocated and implemented delegation, the degree to which the contractor's USAID manager who oversees project implementation supports participatory approaches is one factor that likely influences this relationship, but is not tested

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<sup>26</sup> In the case of USAID, the contract manager is the Contracting Officer's Representative.

here. As such, it is an omitted variable in this analysis that may be influencing implemented delegation and beneficiary influence, but is not accounted for.

As shown below in Figure 4.1,  $H_{2A}$  and  $H_{3A}$  are additive, while  $H_{2B}$  and  $H_{2C}$  are intermediating, and  $H_{3B}$  is conjunctural.

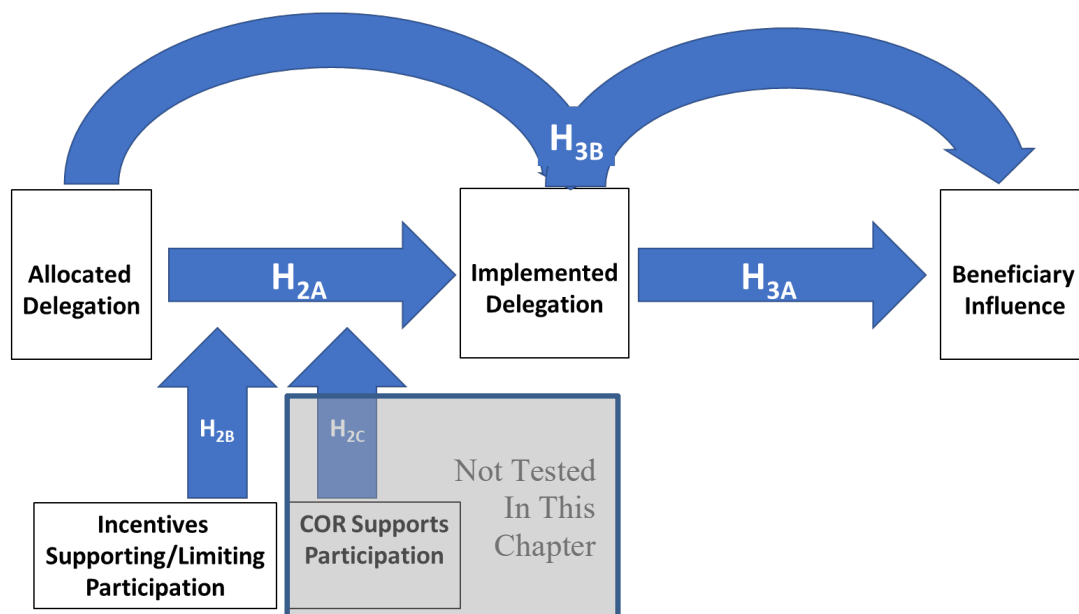


Figure 4.1. Hypotheses 2a, 2b, 2c, 3a and 3b (note  $H_{2C}$  is not tested in this chapter)

#### 4.2.1.2 Hypotheses Predicting Implemented Delegation to Beneficiary Influence

Finally, I predict that implemented delegation leads to beneficiary influence. Once beneficiaries express decisions about activity design during implemented delegation, projects have to decide whether and how to use the decisions and inputs in project implementation. I hypothesize that implemented delegation increases the likelihood of beneficiaries influencing activity selection and design.

*$H_{3A}$ : Beneficiary influence over project activity selection and design is more likely when preceded by implemented delegation.*

This hypothesis tests the sequential and conjunctural relationship among allocated delegation, implemented delegation, and beneficiary influence. In other words, the framework assumes that beneficiary influence over project activities occurs *as a result of* allocated delegation but only *through* implemented delegation.

*H<sub>3B</sub>: Allocated delegation leads to beneficiary influence over project activity selection and design through its influence on implemented delegation.*

Refer to Chapter 1 for additional information regarding the literature and justifications for these hypotheses and those for the remainder of the theoretical framework.

#### 4.2.1.3 Unit of Analysis and Integrating the Allocated Delegation Scale

To appropriately evaluate whether these hypotheses are supported by the data, I study allocated delegation at the level of project activity sets. Each project has multiple activities and different expectations for the implementation of each category, or set, of activities. For example, one of the cases, a basic education project, has 19 different sets of activities identified in the contract. One activity set focuses on creating reading materials in the regional indigenous language. No decision-making power is delegated on this activity, as the translation and printing of materials are fully delineated. Another activity set specifies a needs assessment with out-of-school youth to identify options for basic alternative education. This activity set does have allocated delegation. This particular project has 2 activity sets with allocated delegation, as compared to its 10 activity sets without allocated delegation. The within project variation necessitates a more disaggregated analysis.

Relying on a project's aggregate level (project level) of allocated delegation is not useful for generating the needed "tight predictions" against which to assess field data, instead I create these predictions at the activity set level. Tight predictions are specific descriptions of what you

expect to observe during your process tracing activity which are then either supported or contradicted (Bennett et al., 2015). I generated tight predictions at the individual activity set level, and compare data on reported activity set level observations are compared against these predictions. I generated these predictions for 93 separate activity sets across 8 projects. The predictions included the degree of allocated delegation specified, the beneficiaries targeted for decision-making, and the designated participation tools for each activity set.

The analysis in this chapter compares these predictions to data collected in the field about project implementation. This data consists of reports by various project stakeholders about how a project was implemented. Here I more fully explain how the degree of allocated delegation discussed in chapters 2 and 3 is incorporated into this comparison of predicted vs reported data. For each activity set on each project studied, I identified the specified degree of allocated delegation from the contract. Then, based on interviews with project beneficiaries and contractors, I assessed whether implemented delegation matched this degree, beneficiary and tool specification. For example, on one activity component, a needs assessment with out-of-school youth was specified to generate ideas for providing basic education, which fell in the allocated delegation category of Originate Ideas for Specific Activities. I then compared this tight prediction (expecting to see a needs assessment with out-of-school youth about basic education) to the reported experiences in the field data. If the needs assessment occurred with the out-of-school youth and they were asked to originate ideas about activity selection and design, then I considered that implemented delegation occurred as specified.

The binary (yes/no) nature of this assessment is either confirming or denying that implemented delegation occurred within the same scale category that was identified for allocated delegation. In the out-of-school youth example, the project did have a needs assessment activity

with out-of-school youth, but it did not ask them to originate ideas about project activities<sup>27</sup>, and so it was considered to be a ‘No’ on the binary assessment, and instead considered to have less implemented delegation as compared to allocated delegation. Alternatively, if they had engaged at-risk-youth in a broader needs assessment to define project activity selection and design, inviting them to generate ideas for activities other than those falling under basic education, such as job skills, then the instance would also have been considered as a binary ‘No’, but this time with more implemented delegation occurred (with a higher degree of allocated delegation - in this case, the category of allocated delegation would be beneficiaries selecting Type of activity).

I then assess activity sets falling under the classification as No, less delegation, and No, more delegation independently. In this way, the yes/no assessment reflects the allocated delegation scale categories discussed in Chapters 2 and 3, as shown below in Figure 4.3. In the section below on coding interview data, I will more fully discuss the coding and evidentiary standard for all variables.

### 4.3 METHODS

To test the hypotheses, this chapter employs within-case process tracing and between-case comparative analysis methods for causal inference. As Bennett & Checkel noted, “Process tracing [is] particularly well suited for measuring and testing hypothesized causal mechanisms” (2015, 30-34). Within-case process tracing allows the researcher to identify key pieces of diagnostic evidence of events within a given sequence, as well as the relationships between each event, and use them to test pre-established hypotheses about whether a process took place, and

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<sup>27</sup> Instead, it asked youth to identify needs and ideas they could present to their local community council to advocate for government support. The project activity, generating a youth council to liaise with the community council and advocate for out-of-school youth support was designed exclusively by the contractor.

whether there is a causal relationship between events and a given outcome (Bennett & Checkel, 2015; Collier, 2011; Weller & Barnes, 2014). “[T]he deductive theory-testing side of process tracing examines the observable implications of hypothesized causal mechanisms within a case to test whether a theory on these mechanisms explains the case” (Bennett & Checkel, 2015, 7-8).

In this case, I generated hypotheses for what I expected to see within a given case (based on the values of pre-existing observable variables in the posited theoretical framework, as explained below) and then assessed whether the predicted outcomes of implemented delegation and beneficiary influence occur. These results build support for or against the hypotheses, based on the strength of each piece of diagnostic evidence in identifying necessary and sufficient conditions for the outcome of interest (Mahoney, 2012; Collier, 2011). Finding sequential evidence for the tight predictions, when analyzed within the contexts of both the proposed causal map (theoretical framework) and the sequence of events, compounds support for or against the hypothesis under consideration (Waldner in Bennett & Checkel, 2015; Mahoney, 2012; Collier, 2011). Cross-case analysis allows for testing multiple iterations and comparison with counterfactual cases, to further build support for or against the theoretical framework (Mahoney, 2012; Bennett & Checkel, 2015; Weller & Barnes, 2014).

Data were collected for each case, coded, and subjected to a path-tracing exercise, in which hoop tests, smoking gun tests, and doubly-decisive tests described below were used to draw causal conclusions. Specifically, diagnostic evidence allows me to explore the process (and its causal nature) leading to each outcome variable: implement allocated delegation/don’t implement allocated delegation, and beneficiaries influence activities/beneficiaries don’t influence activities. Based on allocated delegation in the contract, I formed “tight predictions” (Bennett & Checkel, 2015) for implemented delegation and a series of outcome variables

associated with each hypothesis (described below). I used the coded interview data from project contract managers, contract implementers, and beneficiaries to determine if what I observed matches these predictions generated by allocated delegation and the framework outlined in Chapter 1.

Further, I tested whether the hypothesized relationships connecting allocated to implemented delegation to beneficiary influence were true. Cases with no allocated delegation served as counterfactual: if no allocated delegation lead to no implemented delegation and no beneficiary influence (and allocated delegation appears alongside the other two outcomes in other cases), evidence for this hypothesis will be further strengthened. If implemented delegation and/or beneficiary influence occur without allocated delegation, these cases will serve as sources to discover alternative pathways to our outcomes of interest (Bennett & Checkel, 2015). Specific tests and their application are described below.

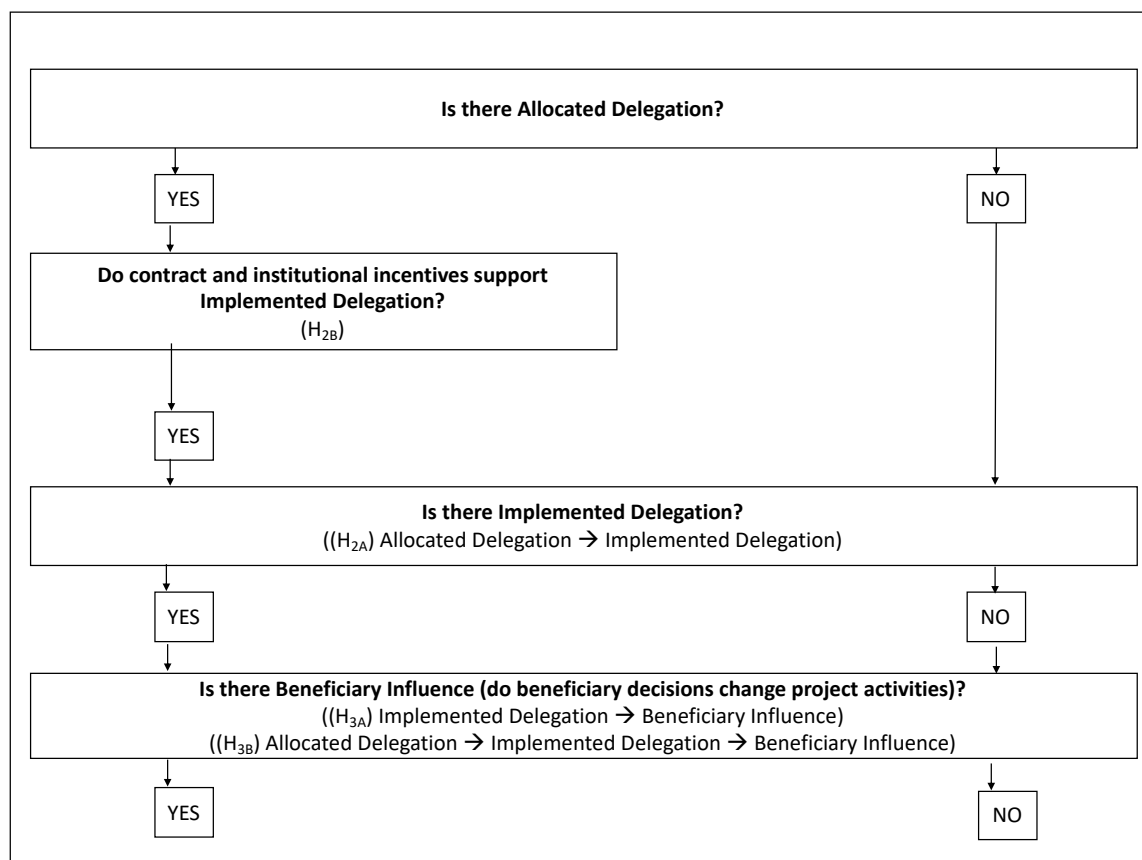


Figure 4.2. Process Tracing Map

The process tracing map in Figure 4.2 shows the path structures to test each hypothesis. The first question (Is there allocated delegation?) is a hoop test; failing this hoop test (while having implemented delegation and/or beneficiary influence) rejects the hypothesis that allocated delegation leads to implemented delegation, and that allocated delegation leads to beneficiary influence (Collier, 2011; Mahoney, 2012). Passing this hoop test *and* finding that contract and institutional incentives support implementation of delegation, serve *all together* as a ‘smoking gun,’ or positive evidence for this hypothesized pathway (H<sub>2a</sub>), and that the incentives increase the likelihood of implementation (H<sub>2b</sub>). If the case then *also* provides evidence of implemented delegation, it will pass a ‘doubly decisive’ test, providing very strong support of hypotheses 2A, and 2B (Ibid).

H3<sub>a</sub> will be tested with a sequence of questions. Is there implemented delegation? Is there beneficiary influence? Cases passing or failing both tests jointly represents evidence for a smoking gun test. H3<sub>B</sub> links the top and bottom portions of the process-tracing map and tests the sequential nature of the variables. Passing H2<sub>A</sub> (allocated and implemented delegation occur) and H3<sub>A</sub> (implemented delegation and beneficiary influence occur) jointly results in a ‘smoking gun’ test. Passing the ‘smoking gun’ test *and* finding evidence that all three variables occur in the same case (if no allocated delegation occurs with no implemented delegation and no beneficiary influence) creates ‘doubly decisive’ evidence for H3<sub>B</sub>. Failure to find evidence for our hypothesized pathways serves as an opportunity to revise them by engaging in an inductive ‘causes of outcomes’ pathway identification exercise, which identifies not only alternative pathways but also possible confounders (Bennett & Checkel, 2015).<sup>28</sup>

The theoretical framework and process tracing map above test the relationships between the three key variables (allocated delegation, implemented delegation, and beneficiary influence), as well as one mediating variable between allocated and implemented delegation. During the analysis, additional variables were identified as possible mediating factors. These potential mediating variables are discussed, and for each, a hypothesis about its role as a mediating variable is generated to be tested in future research.

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<sup>28</sup> When a case answered all questions in the process tracing map affirmatively, it follows the expected pathway. When a process tracing question is ‘yes,’ I designated it as a 1; whereas I designated 0 for a ‘no.’ I therefore called all ‘yes,’ (111) for Yes to allocated delegation, Yes to implemented delegation, and Yes to beneficiary influence. A case with all negative findings (000) is also expected. When there was a ‘mismatch’ of findings (Yes to allocated delegation, No to implemented delegation), the case did not follow the expected pathway, and I noted the results with the same 0/1 system. For example, (011) means No to allocated delegation, Yes to implemented delegation, and Yes to beneficiary influence.

### *Case Selection Strategy*

To select cases, I focused at the project level. I selected cases/projects following Weller and Barnes (2014)'s approach based on expected relationships: "select cases using what is known about the values of the explanatory variable (X1), the controls (X2), the outcome (Y), *and* the best estimates of the expected relationship between the X1 and Y variables" (Weller et al., 2014, 35). I therefore used the value of allocated delegation, the relevant control variables, and the *expected* outcome values (implemented delegation and actual delegation) to purposively select eight cases for study from a population of 108 cases of stand-alone USAID projects, ongoing at the time and at least half-completed.

I grouped projects into expected degree of implemented and actual delegation by relying on predictions generated from the proposed theoretical model. For example, when indicators of perceived uncertainty (problem complexity and goal ambiguity) are low, and indicators of the donor's relationship strength with the recipient (perceived local capacity and relationship strength) are high, we would expect to see our highest degree of allocated delegation. Further, the higher the allocated delegation, the higher the implemented and actual delegation should be, holding constant the mediating variables between allocated and implemented delegation (which are not yet observable). Therefore, with current information, we can use data on uncertainty, relationship strength, and allocated delegation to predict which cases are expected to have the highest and lowest degrees of implemented and actual delegation. The highest and lowest expected outcomes are outlined in rows 1 and 3 of Table 4.2. Alternatively, cases without the highest or lowest match on uncertainty and relationship strength, which *also* have a mid-level of allocated delegation (mid-level of 'highest level of decision-making power'), are expected to have a moderate degree of implemented and actual delegation. Within each of these three

categories, I chose cases based on access to projects (researcher language skills and existing connections), controlling for country and region of study to the extent possible.

Table 4.2. Case Selection Strategy

<b>Theoretical Pathway to Achieve Expectation</b>	<b>Cases Selected</b>
<b>HIGH</b> allocated delegation as specified in the contract	1. Project 1, El Salvador 2. Project 2, El Salvador 3. Project 3, Guatemala 4. Project 4, Mexico
<b>MODERATE</b> allocated delegation as specified in the contract	5. Project 5, Guatemala 6. Project 6, Mexico
<b>ZERO</b> allocated delegation as specified in the contract	7. Project 7, El Salvador 8. Project 8, El Salvador

This project-level analysis is only used to select the projects to include in the case study, after which project activity sets are the unit of analysis.

#### 4.3.1 *Projects and Activity Sets*

Once the cases were chosen, I identified activity sets within each. Across all eight projects, 93 separate activity sets were assessed, and then aggregated by patterns in whether and how the predictions matched reported data. The number of activity sets per project ranged from 6-19. (When aggregating across projects, I normalized the number of sets to ensure they were equally weighted in any summary statistics.) Since each project/case included multiple ‘instances’ of allocated delegation tested against the same process-tracing structure, I was able to evaluate both within each project/case and across selected cases as appropriate (Bennett & Checkel, 2015).

#### 4.3.2 *Data Collection Strategy*

I conducted 74 semi-structured interviews across the eight projects, and a total of 94 people. Each project’s set of target interviewees included the contract implementation team, USAID contract oversight staff, and intended beneficiaries of the delegated decision-making. The

interview questions were tailored based on each project's RFP. The chief of party was interviewed for all projects; all but one project allowed for interviews of the USAID contract manager or (in one case) contract manager's assistant. I interviewed multiple contract implementer staff for most projects, as well as a variety of beneficiaries (ranging from elected government officials, government administration officials, non-profit partners, CSOs and unaffiliated community-level beneficiaries). In all but one case, I was able to interview multiple beneficiaries. Often the Chief of Party would recommend interviewees with different types of staff and beneficiaries. I would also request interviews with specific beneficiaries identified as recipients of allocated delegation. Almost always, these requests were accommodated. In other cases, I identified the beneficiaries or project staff whom I wished to interview and contacted them directly. These interviewees were identified by reviewing project RFPs and online documentation in search of individuals involved with beneficiary decision-making. For example, for one project, I identified the four key types of beneficiary decision-makers with allocated delegation from the RFP, and then researched the specific beneficiary organizations engaged from the project website and reports. Project documentation and beneficiary organization websites were able to identify the correct contact people, who I then emailed directly for an interview.

I designed a list of questions to reflect both the allocated delegation identified for that project and the important variables to assess my hypotheses. However, given the semi-structured nature of the interviews, I often let the respondent direct the conversation based on my prompts, and circled back to cover any missing information as needed.

### 4.3.3 Coding Interview Data

Interviews were transcribed in the original language. I then developed a codebook (Appendix A) for the transcripts based on the theoretical model, extant literature, variables of interest, and the transcripts and notes themselves. The coding approach and evidentiary standards for each variable are outlined below:

#### Allocated Delegation

As discussed above, each activity set within each project was identified from the RFP and coded using the allocated delegation scale introduced in Chapter 2. Table 4.3 below summarizes the allocated delegation scale. For more information, please refer to Chapter 2.

Table 4.3. Allocated Delegation Scale

Abbreviation	Allocated Delegation Scale	Description
None	None	No Allocated delegation
Inform	Inform Beneficiaries	<b>Beneficiaries are informed:</b> contractor informs beneficiaries of activities, but does not seek beneficiary response or reaction. Beneficiaries can choose to opt in or out as a result of this information.
Consult	Consult Beneficiaries	<b>Beneficiaries are consulted:</b> contractor presents a set of intended activities to beneficiaries and asks them to provide input for adjustments to make it more appropriate or effective given their needs and context.
Specific Activities	Beneficiaries Contribute to Specific Activities	<b>Beneficiaries are engaged in making decisions about specific activities:</b> contractor asks beneficiaries to propose ideas for local needs, target areas, and activities. This is often done through asking for individuals to express their needs and priorities in a ‘needs assessment’; or through asking beneficiaries to submit grant applications proposing specific activities to accomplish a defined goal.
Type of Activity	Beneficiaries Determine Type of Activity	<b>Beneficiaries are engaged in making decisions about the type of activity and specific activities:</b> contractor asks beneficiaries to submit grant applications proposing specific activities within a particular sector, leaving open the type of activity.

<b>Sector of Activity</b>	Beneficiaries Determine Sector of Activity	<b><u>Beneficiaries are engaged in making decisions about the sector, type of activity, and specific activities:</u></b> contractor asks beneficiaries to submit grant applications proposing specific activities, giving beneficiaries a choice between multiple sectors the project is working in.
<b>Full Beneficiary Delegation</b>	Full Beneficiary Delegation	<b><u>Beneficiaries are given free rein to propose any activity without constraint or limitation such as sector, development goal or strategic aid priority.</u></b>

Allocated delegation was then used to generate a tight prediction for implemented delegation.

The prediction included the specified degree of allocated delegation from the allocated delegation scale, the beneficiary identified for participation, and participation tools specified for decision-making.

#### Implemented Delegation

Using the above information about allocated delegation as the point of comparison, I assessed whether implemented delegation matched the prediction from allocated delegation specifications. To do so, I coded transcripts for interviews (and interview notes) with beneficiaries, project staff, and chiefs of party. Given how vast each project is, I often spoke with just one or two people with knowledge about a particular project activity set (but an average of 12 people per project across all activity sets). I prioritized covering as many activity sets as possible within each project rather than obtaining multiple perspectives of just a few activity sets per project. I asked respondents a variety of questions to describe whether and how beneficiaries were engaged in decision-making, how beneficiary decisions were collected, whether the participation tools were applied, and which beneficiaries were involved. When the interview transcripts included explicit, positive evidence that described implemented delegation as matching the prediction from allocated delegation, I coded the activity set as Yes, implemented delegation matches allocated delegation.

When there was explicit, positive evidence describing a lack of implemented delegation, or implemented delegation at a degree less (lower on the allocated delegation scale) as compared to allocated delegation, I coded the activity set as No, there was less implemented delegation than allocated delegation. When there was explicit, positive evidence describing a higher degree of implemented delegation (as per the allocated delegation scale) than predicted by allocated delegation scale, I coded the activity set as No, there was more implemented than allocated delegation. Despite my best efforts, once coding was completed, there remained a small number of activity sets without any explicit positive evidence for or against implemented delegation. For each project, I asked all chiefs of party and high-level project staff to share each instance of beneficiary engagement in decision-making in a variety of ways and with extensive explanation and examples. Therefore, I treat a lack of positive evidence for implemented delegation as a case of no allocated delegation.

#### Beneficiary Influence Occurs

To determine if beneficiary influence occurs, I followed three steps. First, I coded beneficiary perceptions of whether they influenced project activity selection or design, and how they thought they were influential. For example, I asked what sorts of decisions the beneficiaries made, and then asked what activities were implemented. I also asked beneficiary respondents whether they perceived that the chosen activities reflected their decisions, and how their ideas were used. I also coded ways that they felt their influence was restricted, including questions about any perceived restrictions from contractors on decisions they could provide, why they thought those restrictions existed, what they might have preferred instead of or in addition to what the project decided upon, and whether their ideas were modified at all prior to project activity design.

Second, I coded chief of party perceptions of how project activity decisions were made, and whether they reflected beneficiary decisions. I also coded reasons given by chiefs of party for why did not or could not use beneficiary decisions in the final activity selections.

Third, I coded whether the described project activities that were actually implemented were selected a result of participation tools. For example, I asked grant recipients what they included in their proposal the contract (the beneficiary decisions), which included new ideas for project activities. I then compared this description to the activities actually funded by the grant. When these two activity descriptions matched, I coded it as clear evidence that beneficiaries influenced the project activity selection and design. As with the previous variable, I code explicit, positive evidence as reported by at least one respondent.

#### Mediating Factors: Contract and Institutional Incentives

I code each type of contract and institutional incentive as reported by respondents. These incentives can be grouped into two categories: 1) whether the incentive supports or constrains beneficiary participation, and 2) whether the incentive comes from the contract or the broader institutional context. At the project level, I note an incentive is influential across all project activity sets if there is explicit, positive evidence that at least one respondent perceived the impact of the incentive. While incentives were largely coded based on USAID and contractor perceptions, beneficiaries also reported their perceptions of incentives from the contract or the donor institution. These perceptions focused on how incentives shaped the types of beneficiary decisions that were valid, and the ways that beneficiary decisions were modified to be eligible for project funding. For example, I often asked beneficiaries if there were limits to what they could suggest in terms of activities or design.

I coded all interview transcripts in the original language the interview was conducted using Atlas.ti. I used both a deductive and inductive approach that was based on concepts derived from the theoretical framework and concepts emerging from the transcripts. Following Amirkhanyan and Lambright (2018), the first 10% of transcripts was used to test the initial codes and create additional codes. At various points in the coding process, I refined the coding schematic based on any issues that arose. A second coder also coded interviews from one of the eight projects (14 interviews, representing 19% of the dataset) to assess the replicability of results. The average percent agreement between myself (the primary coder) and the second coder was 88%, and the Kappa statistic for intercoder reliability was 0.38, which is categorized as 'fair' (McHugh, 2012). However, the vast majority of the disagreements between coders (70% of disagreements) pertains to 5 types of variables, most of which are of minor importance to the study results. Just over 30% of the disagreements between coders relate to how (but not whether) beneficiary ideas were changed based on contractor guidance (6%), the types of strategies contractors use to overcome challenges to participation (17%), how (but not whether) beneficiaries influenced project activities (10%). Therefore, results about *how* contractor involvement changed beneficiary ideas, contractor strategies to overcome challenges to participation, and *how* beneficiaries influenced project activities may be less replicable than other results presented in this chapter.

Further, 37% of disagreements were with regard to which incentives or constraints were coded. The disagreement was usually within a type of incentive (for example both coders selected contract constraint and not of institutional constraint, but one may have coded Scope/Alignment, while the other coded Project Indicators). This primary source of coder

disagreement is likely due to overlap between the definitions of types of incentives, and the large number of incentives or constraints that could be coded. Therefore, results related to the types of incentives and constraints presented in this chapter may be less replicable.

Each interview was coded by role of the respondent to observe differences in perceptions. The types coded were: USAID contract management team, contractor leadership for the project on the ground, contractor team (non-leadership) for the project on the ground, beneficiary, and beneficiary type (government actor vs. non-government actor, and institutionalized non-government actor vs. non-institutionalized non-government actor). Non-government actors were determined to be institutionalized if they had a website, more than 10-15 employees, and/or a leader highly recognized as a local expert in the field.

#### 4.3.4 *Potential for Bias*

I expected the potential for bias in the interviews to be in the same direction, with interviewees reporting what they perceive they should be doing, based on the contract and the project: compliance with the contract, strong project results, and high engagement of beneficiaries. This would lead to higher rates of reported implemented delegation and beneficiary influence. In interviews, I took a number of steps to reduce this bias. I ensured the confidentiality of interviews; I built trust and rapport by sharing my own experience and challenges as a contract implementer, and I normalized the difficulty of implementing beneficiary participation as initially intended. Resulting responses produced a significant amount of information about when and why implemented delegation or beneficiary influence does not occur, as well as insight on key challenges making implementation hard and sometimes infeasible. In addition, I interviewed respondents that I contacted directly as opposed to via introduction by contractor teams. Doing

so decreases the likelihood that only positive experiences with the contractor or participation will bias results towards higher levels of decision-making power delegation.

#### 4.4 RESULTS AND INTERPRETATIONS

In this section, I first review the summary-level results of the process-tracing exercise and the hypotheses. I then unpack the results by research question, and review implications for the puzzle and theoretical framework posited and for the process maps.

##### 4.4.1 *Summary-Level Results*

In order to assess whether the process map was supported by the data, I compiled interview results by patterns in activity sets. For example, across all projects, 35% of activity sets have no allocated delegation, no implemented delegation and no beneficiary influence. These activity sets are grouped together in the table. 19% of activity sets had allocated delegation, carried out implemented delegation so that it matched allocated delegation, and beneficiaries and chiefs of party both reported that beneficiary decisions influenced project activities. These activity sets are reported together. Activity sets with more implemented than allocated delegation, and reported beneficiary influence represented 38% of the dataset and were grouped together. Finally, projects with less implemented delegation than allocated delegation, and no beneficiary influence represent 9% of the dataset. Table 4.3 compares each type of activity set and how it performs against the process-tracing framework outlined above.

The first three columns in the results tables below reflect these categories. The two expected types of activity sets have no allocated delegation, no implemented delegation and no beneficiary influence (000). The second expected type has allocated delegation, implemented

delegation and beneficiary influence (111). The unexpected activity sets have a mismatch of allocated and implemented delegation. The columns to the right of the grey line then disaggregate the Unexpected Pathway into common answers to the hypotheses to determine patterns, resulting in unexpected type 1 (No allocated delegation, Yes implemented delegation and Yes beneficiary influence, 011), and unexpected type 2 (allocated delegation without implemented delegation or beneficiary influence, 100). Appendix E shows this same table for each project.

Table 4.4. Process Tracing Results<sup>29</sup>

		All Projects					
		Expected Type 1 (000) No AD, No ID, No BI 32 Activity Sets <b>34%</b>	Expected Type 2 (111) Yes AD, Yes ID, Yes BI 18 Activity Sets <b>19%</b>	Unexpected AD/ID/BI Mismatch 43 Activity Sets <b>46%</b>	Unexpected Type 1 (011) No AD, Yes ID, Yes BI 35 Activity Sets <b>38%</b>	Unexpected Type 2 (100) Yes AD, No ID, No BI 8 Activity Sets <b>9%</b>	
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>							
	Is there AD?	H2A	No	Yes	Yes and No	No	Yes
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 2 - 7 more)	Mixed: more constraints than incentives (more by 2 - 7 more)	Mixed: more constraints than incentives (more by 2 - 7 more)	Mixed: more constraints than incentives (more by 2 - 7 more)	Mixed: more constraints than incentives (more by 2 - 7 more)
	Does COR support ID?	H2C	Yes: 62.5% of cases; No 12.5%; Mixed: 12.5%; No data: 12.5%	Yes: 62.5% of cases; No 12.5%; Mixed: 12.5%; No data: 12.5%	Yes: 62.5% of cases; No 12.5%; Mixed: 12.5%; No data: 12.5%	Yes: 62.5% of cases; No 12.5%; Mixed: 12.5%; No data: 12.5%	Yes: 62.5% of cases; No 12.5%; Mixed: 12.5%; No data: 12.5%
	Is there ID?	H2A	No	Yes	Yes and No	Yes	No
<b>H2A Conclusion:</b>			<b>Mostly Supported, except for Incentives and sometimes COR</b>	<b>Mostly Supported, except for Incentives and sometimes COR</b>	<b>Not Supported</b>	<b>Not Supported</b>	<b>Not Supported</b>
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>							
	Is there ID?	H3A	No	Yes	Yes and No	Yes	No
	Is there BI?	H3A	No*	Yes**	Yes and No**	Yes**	No*
<b>H3A Conclusion</b>			<b>Supported</b>	<b>Supported</b>	<b>Supported</b>	<b>Supported</b>	<b>Supported</b>
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>							
	Is there AD?	H3B	No	Yes	Yes and No	No	Yes
	Is there ID?	H3B	No	Yes	Yes and No	Yes	No
	Is there BI?	H3B	No	Yes	Yes and No	Yes	No
<b>H3B Conclusion</b>			<b>Supported</b>	<b>Supported</b>	<b>Not Supported</b>	<b>Not Supported</b>	<b>Not Supported</b>

*\*Interviews with project leadership (COPs) referenced circumstances where beneficiaries were not invited to participate in decision-making activities, yet made 'special requests' of the project. These requests were sometimes accommodated, and sometimes not accommodated. In these cases, the coded NO would be a YES. My data is not finite enough to break these activity sets out with any specificity. This pattern is the exception, not the norm, and is discussed below.*

*\*\*Beneficiaries interviewed responded Yes to the questions to inform this variable. Project leadership, however, always indicated cases where the project was unable or unwilling to accommodate beneficiary 'special requests' – discussed below. This was still coded as Yes because the vast majority of the time, the project was able to accommodate beneficiary requests and preferences to at least some extent according to interviews.*

In just over half of the activity sets, the presence of allocated delegation does seem to predict whether we will see implemented delegation. When activity sets follow the expected relationship between allocated and implemented delegation (000 at 34% of the time or 111 at

<sup>29</sup> Note that for hypotheses 3 A-B, the interview responses were often not able to be tied to the specific activity set consistently. While pains were taken to ensure match-up of allocated and implemented delegation by pathway, perceptions on beneficiary decisions changing project activities was not always recorded in a way that would allow for matching to activity set. Respondents spoke more generally about their experience with the project. I was able to ascertain whether the activities being described were associated with contract-required activities allocated delegation) because of the way the questions were structured.

19% of the time), we see support for H<sub>2A</sub>. Of the remaining activity sets, allocated delegation serves as a floor the majority of the time (38% of the dataset, or 81% of the unexpected activity sets). We see a small number of activity sets (9% of the dataset, or 19% of the unexpected activity sets) in which implemented delegation is less than allocated delegation. Both the incidences of allocated delegation as a floor (more implemented than allocated delegation) and of less implemented than allocated delegation, provide evidence against H<sub>2A</sub>, and are discussed below as Alternative Pathways. However, taken together, the results tell us that in 91% of activity sets, allocated delegation in the contract serves as a floor for delegation of decision-making power to beneficiaries, and that there are particular circumstances in which less implemented delegation than is allocated occurs (these will be discussed below).

The variable proposed to mediate the relationship between allocated and implemented delegation, the net impact of incentives for and constraints limiting participation, do not appear to play this role (H<sub>2B</sub>). These incentives are measured at the project level, which means that they were not measured by activity set. As a result, they are constant across activity sets at the project level. Looking at individual incentives, however, identifies two incentives for participation and three constraints limiting participation that influence the occurrence of implemented delegation. This will be discussed in detail below.

In all four types of activity sets, implemented delegation led to beneficiary influence, and a lack of implemented delegation led to a lack of beneficiary influence, providing support for the subsequent hypotheses. The presence of implemented delegation leads to beneficiary influence over activity selection and design. These findings provide support for H<sub>3A</sub>. The table also shows that a lack of implemented delegation is followed by no beneficiary influence. The side-by-side positive findings on the one hand (with the one exception in a few activity sets) and null findings

on the other, support the proposed process for this portion of the process-tracing map. This provides stronger evidence for H<sub>3A</sub>.

Finally, results for Hypothesis H<sub>3B</sub> follow the same structure as those for Hypothesis H<sub>2A</sub>: when activity sets follow the expected relationship between allocated delegation, implemented delegation, and beneficiary influence (all null findings or all positive findings), we see support for H<sub>3B</sub>. Of this 54% of activity sets, 65% follow the expected pathway, with all null responses: no allocated delegation, no implemented delegation, no beneficiary influence; 35% follow the pathway with all positive responses: Yes allocated delegation, Yes implemented delegation, Yes beneficiary influence.

Table 4.5. Expected vs. Unexpected Pathway Tracing Results

<b>Expected 1 (000)</b>	<b>Expected 2 (111)</b>	<b>Unexpected 1 (011)</b>	<b>Unexpected 2 (100)</b>
<i>No AD*</i>	<i>Yes AD</i>	<i>No AD</i>	<i>Yes AD</i>
<i>No ID</i>	<i>Yes ID</i>	<i>Yes ID</i>	<i>No ID</i>
<i>No BI</i>	<i>Yes BI</i>	<i>Yes BI</i>	<i>No BI</i>
Percent of full dataset in each activity set type			
35%	19%	37%	9%
Percent of activity sets with Expected Outcomes vs Unexpected Outcomes			
54%		46%	
65% of expected outcomes	35% of expected outcomes	81% of unexpected outcomes	19% of unexpected outcomes
Proportion of cases in each activity set type in which ID Let to BI			
Yes ID/BI: 0 No ID/BI: 32	Yes ID/BI: 18 No ID/BI: 0	Yes ID/BI: 35 No ID/BI: 0	Yes ID/BI: 0 No ID/BI: 8
Were the Positive Cases of BI Predicted (Preceded by AD)?			
NA	Yes	No	NA

*\*AD = Allocated delegation, ID = Implemented delegation,  
BI = Beneficiary influence*

However, the data also provide evidence against hypothesis H<sub>3B</sub>: 46% of activity sets follow the unexpected pathways representing a mismatch of allocated delegation, implemented delegation, and beneficiary influence when all three are considered sequentially. These mismatched activity sets are discussed in depth below as Alternative Pathways. Specifically, of the activity sets with unexpected outcomes, 81% of activity sets follow the first unexpected pattern: No allocated delegation, Yes implemented delegation, Yes beneficiary influence. This group supports the conclusion that allocated delegation serves as a floor. On the other hand, 19% of activity sets reflect the opposite unexpected outcome: Yes allocated delegation, No implemented delegation, No beneficiary influence, reflecting a new pathway called, ‘special circumstances of less participation’ pathway.

In general, the results show that in all activity sets, knowing whether there is implemented delegation does help identify whether there will be beneficiary influence over project activity selection and design. Further, the results support the hypothesis linking allocated delegation to implemented in just over half of the activity sets. The other half of cases suggests two alternative pathways which will be explored in the following section: one where more decision-making power is delegated than is allocated, and one where less decision-making power is delegated than allocated, (see Table 4.4). There are, however, two exceptions. In all activity sets, I found no evidence that the net impact of incentives and constraints for participation mediate the relationship between allocated and implemented delegation as predicted. However, as discussed below, studying the incentives separately identifies particular incentives that are correlated with the occurrence of implemented delegation.

The following analysis will explore how and when the activity sets fall within the expected pathways, and the ways that the data diverge from them. It then describes how and

when they fall into each of the two types of unexpected pathways, and explores one variable from the analysis that mediates the relationship from allocated to implemented delegation: the degree of beneficiary power and institutionalization, and four emerging variables that mediate the relationship from implemented delegation to beneficiary influence: 1) unanticipated beneficiary participation when beneficiaries initiate the sharing of decisions about project activity selection and design, 2) constraints to participation from the contract and institutional environment, 3) excess beneficiary demand, when there are too many preferences or decisions to accommodate, and 4) the degree of beneficiary power and institutionalization.

The remainder of the chapter reports findings, disaggregated by type of respondent (chief of party, government beneficiaries, and non-government beneficiaries), to gain additional clarity and nuance. Non-government beneficiaries are further disaggregated into institutionalized and non-institutionalized organizations, since, as explored in Chapter 2, exit plays a credible threat to beneficiaries receiving allocated delegation. I make the assumption that the more powerful and institutionalized a non-governmental actor, the more credible their threat of exit from the project. I include this disaggregation in reporting findings to uncover any potential nuance to the summarized results.

#### 4.4.2 *Does Implemented Delegation Mirror Allocated Delegation?*

The previous section found that allocated delegation is implemented as specified in just over half of activity sets; in 46%, it does not (see Table 4.4 above). There are two ways that activity sets diverge from the expectation that allocated and implemented delegation will match. While the theoretical framework and existing literature suggested that implemented delegation would occur less frequently than allocated delegation, the opposite occurred: 37% of activity sets have more implemented delegation than allocated delegation, while only 9% of projects have less

implemented than allocated delegation. This section explores the ways that implemented delegation differs from allocated delegation and what that means for the degree of decision-making power delegated.

#### 4.4.2.1 Divergence 1: More Implemented than Allocated Delegation

Table 4.3 demonstrates that 37% of activity sets have no allocated delegation, but do implement some sort of beneficiary decision-making power. In these cases, the project is prioritizing additional beneficiary engagement in decision-making beyond what was specified in the contract. This results in a scenario with more implemented delegation than allocated delegation.

Typically, additional implemented delegation is provided either when beneficiaries request additional assistance (initiated by beneficiaries) or when projects feel that it is needed (initiated by the project). The proposed theoretical framework describes implemented delegation as a formal mechanism employed by the project to collect beneficiary input for decision-making. While some of the additional implemented delegation does follow this pattern, in a substantial portion of activity sets, implemented delegation is initiated externally by beneficiaries, who create the forum for expressing their preferences directly to the project (usually project leadership). In other words, beneficiaries contact project leadership and make requests for specific technical assistance, in-kind donations, and funding. The requesters vary in the extent to which they exert pressure upon the contractor. Some respondents note that requesters will refuse to work with the project if their requests are not accommodated, while others do not. Further, the degree to which projects feel compelled to either accommodate these requests or find a compromise representing mutual goals depends upon the degree to which the requester can block project implementation and completion.

Table 4.6. Recipients of Additional Delegation

Project	More Implemented Delegation to:
1	Government beneficiaries
2	Government beneficiaries
3	Government beneficiaries
4	Formal CSOs
5	Government beneficiaries, University Beneficiaries
6	Local Governments, Private Sector, Foundations
7	State and Local Governments, Formal CSOs
8	Federal Government, Formal CSOs, Academia

When implemented delegation is greater than allocated delegation, the additional decision-making power is typically given to government actors or institutionalized non-government actors (formal CSOs, universities, and academia) (see Table 4.5). This additional delegation does not reflect the classic participatory development that is conceptualized as grassroots, community-driven process. Table 4.6 uses interview data across all projects (at the activity set level) to further demonstrate this trend, comparing the predictions of allocated delegation to respondent perceptions of implemented delegation. It shows whether each interviewee considered an activity set to be implemented as per the tight prediction (i.e. allocated delegation matched implemented delegation), or whether more or less implemented delegation occurred. Each interviewee may have been coded as having observed more than one result of the tight prediction (full, more, or less implementation) for different activity sets. The project beneficiaries interviewed spoke about just the activity set(s) that applied to them.

Table 4.7. Implemented Delegation, Percent of Respondents (non-exclusive)

<i>Expectation (read left to right)</i>	Row	*AD = Allocated delegation	% of <b>Chiefs of Party</b> Reporting Each Outcome	% of <b>Govt Beneficiaries</b> Reporting Each Outcome	% of <b>Non-Govt Beneficiaries (all)</b> Reporting Each Outcome	% of <b>Non-Govt Beneficiaries (institutionalized)</b> Reporting Each Outcome	% of <b>Non-Govt Beneficiaries (not institutionalized)</b> Reporting Each Outcome
		No. of Respondents	7	12	34	25	9
<i>Low to High</i>	1	<b>Less ID than AD</b>	29%	17%	15%	8%	33%
<i>Low to High</i>	2	<b>AD matches ID: no delegation</b>	57%	33%	32%	32%	33%
<i>High to Low</i>	3	<b>AD matches ID: delegation</b>	57%	42%	32%	32%	33%
<i>High to Low</i>	4	<b>More AD implemented (to Govt)</b>	86%	50%	3%	4%	0%
<i>High to Low</i>	5	<b>More AD implemented (to Non- Govt)</b>	43%	0%	50%	60%	22%

\* This table should be read as the percentage of each respondent type who noted each type of outcome with respect to implemented delegation. For example, in the first column, 29% of chiefs of party noted at least one instance where less decision-making power was delegated than allocated. Further, 57% of chiefs of party noted at least one instance of implemented delegation matching allocated delegation in terms of both cases without any allocated delegation and cases with allocated delegation. Finally, 86% of them noted at least one instance where more decision-making power was delegated to governments than was allocated, and 43% noted at least one instance where non-governmental actors were delegated additional decision-making power.

The degree of decision-making power delegated in implemented delegation either matched or exceeded allocated delegation most often for government beneficiaries, followed by institutionalized non-government actors, and lastly non-institutionalized non-government actors. This finding is particularly reflected by respondent perceptions on whether beneficiaries received decision-making power in the absence of allocated delegation. In these cases, 86% of chiefs of party and 50% of government respondents perceived additional decision-making power for government beneficiaries. On the other hand, only 43% of chiefs of party perceived delegation to non-government actors in the absence of allocated delegation. While half of non-government beneficiary respondents also reported receiving implemented delegation (in the absence of allocated delegation), disaggregating them by degree of institutionalization paints a different picture. Institutionalized non-government beneficiaries reported being delegated decision-making power (60%) at nearly triple rate of non-institutionalized non-government beneficiaries (22%), suggesting that contract implementers are willing and able to increase the degree of decision-making power delegated to beneficiaries (as compared to allocated delegation) when the beneficiary decision-makers demonstrate higher degrees of institutionalization.

The narrative analysis above shows that there are two reasons why additional decision-making power is delegated beyond what is allocated: 1) beneficiaries (particularly governments) make requests for project assistance directly to project leadership, which are often accommodated, and 2) the contractor opts to engage in additional decision-making power delegation to better tailor their activities or to generate buy-in among project beneficiaries, particularly those with the power to block project implementation or completion.

Further, non-institutionalized non-government actors are the ‘classic’ participation recipients who are commonly thought of by the participation community: community or village

members or representatives who are not associated with formalized non-government organizations. For example, one such beneficiary in this study is a small group of women receiving project support to reduce crime in their communities, but who do not have formal employees or an organization website. As demonstrated in Table 4.6, these ‘classic’ participatory development recipients do not receive particularly high degrees of delegated decision-making power. They are delegated less decision-making power than specified in allocated delegation more often than any other type of beneficiary, and they are delegated more decision-making power than allocated less often than any other type of beneficiary.

#### 4.4.2.2 Divergence 2: Less Implemented than Allocated Delegation

While the first divergence identified occasions when more implemented delegation occurred, the second identifies occasions where less occurs. Table 4.3 demonstrates that 9% of activity sets indicate less implementation than allocated delegation. The data analysis uncovered a set of special circumstances that tend to result in less implemented delegation than allocated delegation:

- Needs assessments are not participatory

This analysis identified two types of needs assessments: one that is participatory in that it asks beneficiaries about their preferences for project activities, and one that is not participatory in that it asks beneficiaries for general contextual information and perceptions of needs. As per the coding rules, needs assessments were always coded as participatory, and in particular, as Decision-Making Power Over Specific Activities. In practice, needs assessments may indeed give beneficiaries power to determine needs and priorities; however, they may also be simply information-collecting vehicles for projects to provide contractors with contextual information to inform their decisions about activity design. While this may allow beneficiaries to indirectly

influence project activity design, their influence is not based on what they would prefer the actual project activities to be.

To distinguish between the two types of needs assessments, the types of questions asked of participants are: were they questions about what their needs are and what they would like to see the project work on, and how? Were they questions about local conditions and their own patterns of behavior? In the first case, beneficiaries would be expressing preferences explicitly, and the activity would be coded as implementing the intended delegation. In the second case, the project experts would make the decisions with indirect input (and no statement of local preferences), rendering the activity ‘less’ delegation than allocated. It is quite likely that this second route of needs assessments is truly what was intended all along at the contract level, but the coding was not fine-grained enough and the contract information not specific enough to capture it accurately. As a result, when allocated delegation was based on a needs assessment that was not ultimately participatory, the activity set was coded as having less implemented than allocated delegation.

- Specific Grant Solicitations (Requests for Application, RFAs) (especially with inexperienced Civil Society Organizations)

In two more of the eight activity sets, less experienced CSOs were given prescriptive instead of open-ended project RFAs, in which they could propose their own activities. RFAs normally provide a goal to be achieved and parameters within which applicants should propose activity ideas to reach the goals. In these cases, RFAs were highly prescriptive, eliminating the opportunity to suggest activities. Instead, applicants were provided with a set of activities to be accomplished and asked to demonstrate their capacity to implement them. Also, more experienced CSOs were allowed to submit more open-ended proposals reflecting their own

preferences and priorities (on the same project). This appears to be a mechanism to mitigate risk of working with less-experienced actors.

- Trainings are prescriptive

The last four of eight activity sets include a specification for trainings. These trainings that were found to be prescriptive included various capacity building for government officials and the private sector. The RFP specified allocated delegation by directing contractors to design training content in response to trainee beneficiary priorities or in coordination with beneficiaries. However, when specifying the content of these trainings, the contractors noted feeling compelled to fulfill a pre-set list of training topics, and not engage beneficiaries in defining them. As a result, these trainings were more prescriptive.

Contract implementers appear to decrease the degree of decision-making power delegated to beneficiaries (as compared to allocated delegation) when these special circumstances occur. As a result, we can conclude that allocated delegation serves as floor for implemented delegation (following the other 91% of activity sets) *except* when 1) additional specificity is needed for RFAs with inexperienced local CSOs, and 2) when the contractor finds that training needs must be defined and designed with specific goals to accomplish.

#### 4.4.3 *Under What Conditions Does Allocated Delegation Predict Implemented Delegation?*

This section first discusses the extent to which the proposed mediating variable influences implemented delegation given a set value of allocated delegation, and finds that only certain incentives appear to play a mediating role. Further, the analysis identified an additional potential mediating variable that will be explored here and should be subject to further testing: the degree

of local power held by the beneficiary decision-maker. This analysis suggests that the more local power a beneficiary has, the more likely they are to have implemented delegation, and generates a hypothesis for future testing.

#### 4.4.3.1 Predicted Mediating Variable: Incentives and Constraints

The process tracing results (Table 4.3) demonstrated that incentives for and constraints to participation don't appear to influence implemented delegation due to their mixed nature and uniform application across activity sets. Here, I assess two different ways of assessing the impact of incentives and constraints on implemented delegation: 1) focusing on the total number of incentives and constraints separately, and 2) looking at the impact of individual incentives and constraints. Table 4.7 below shows the number and type of incentives per project and compares it to the percent of activity sets per project with implemented delegation. When considering just incentives, and then just constraints, the process-tracing results do not change.

Table 4.8. Incentives and Constraints

Case	1	2	3	4	5	6	7	8
<b>Total Number of Incentives</b>	5	11	2	3	3	3	5	4
<b>Total Number of Constraints</b>	11	16	9	6	10	11	12	9
<b>Percent of Components with Implemented Delegation</b>	44%	50%	67%	82%	32%	64%	67%	73%
<b>Percent of Components with More Implemented than Allocated</b>	44%	7%	17%	82%	32%	55%	25%	45%
<b>Percent of Components with Less Implemented than Allocated</b>	0%	14%	17%	0%	5%	0%	25%	9%

I also investigated whether the number of incentives and the number of constraints are correlated with 1) the percent of activity sets on a project that with implemented delegation, 2) the percent with more implemented than allocated delegation, and 3) the percent with less implemented than allocated delegation. No correlation tests were statistically significant *except*

for the test between the number of constraints and the percent of activity sets with more implemented than allocated delegation.

The p-value for this test is 0.03697, and the correlation coefficient is -0.737, demonstrating that these variables are inversely correlated: more constraints to beneficiary decision-making at the project level are more common on projects with less *additional* beneficiary decision-making to be implemented beyond allocated delegation. Or rather, projects with higher degrees of *additional* beneficiary decision-making are correlated with fewer constraints.

I then look at incentives and constraints individually as shown in Table 4.8, including how commonly they are referenced by Contracting Officer's Representatives, chiefs of party, and non-chief of party contractor staff; and whether they are correlated with the presence of implemented delegation. The most noticeable constraint is Scope/Alignment. 100% of chiefs of party reported this constraint as limiting beneficiary decision-making power. However, since this constraint appears on each project across all activity sets, there is not a statistically significant correlation between scope constraints and implemented delegation. This suggests that scope constraints may not prevent implemented delegation, but rather they may change the nature of how and to what extent beneficiaries can participate.

Instead, two constraints and two incentives are correlated with the presence of implemented delegation or with implemented delegation matching allocated delegation (at a p-value<0.05); and one constraint is correlated with having less implemented than allocated delegation (though with a p-value=0.055). Funding limitations within the contract are negatively correlated with the presence of implemented delegation, meaning that fewer funding limitations occur alongside the presence of implemented delegation (either as specified or in greater

amounts than allocated). USAID making a request for a particular activity to be implemented is also negatively correlated with implemented delegation. When USAID requests a specific activity, contractors are encouraged to implement it as outlined, and not to engage beneficiaries in decision-making about the activity.

During the long period of time between when an RFP is written and contract implementation begins, the local context may change greatly, rendering some specified activities inappropriate. In these cases, some chiefs of party reported a need to engage beneficiaries to recalibrate activities to the local context. As a result, we might expect to see this incentive associated with implemented delegation; however, the correlation coefficient indicates an inverse relationship. This could be occurring because the specified allocated delegation may be no longer relevant for implementation, resulting in less occurrence of implemented delegation.

Project indicators that support participation are positively correlated with the presence of implemented delegation, either matching what was allocated or exceeding it. Finally, reporting requirements that encourage contractors to prioritize non-participation goals are positively correlated with project having less implemented delegation than specified. The remainder of the incentives and constraints do not have statistically significant correlations with implemented delegation using the Pearson's product moment Correlation test.

Table 4.9. Constraints and Incentives

	Description	% of CORs reporting this incentive	% of COPs reporting this incentive	% of Contractor Team (minus COP) reporting this incentive	Correlated with presence of ID or ID matching AD	Correlated with having less ID than AD
<b>Contract Constraints</b>						
Funding Limitations	Limited funding reduces the potential to accommodate beneficiary decisions and accomplish project goals	17%	43%	44%	<i>pval=0.003373</i>	
Limited Time	Limited time and a pressure to show results decrease the likelihood that time will be spent on beneficiary decision-making	17%	29%	28%	<i>; cor= - 0.86</i>	
Project Indicators	Project indicators for progress towards contract objectives decreases attention to, time for, and funds for participation	33%	43%	11%		
Reporting Requirements	Reporting requirements encourage contractor to prioritize goals that are required to be covered in reporting requirements	0%	14%	17%		<i>pval=0.055;</i> <i>cor=0.695</i>
Scope/Alignment	A need for all project activities to be aligned with the project goals reduces the potential scope of beneficiary decision-making	33%	100%	56%		
<b>Contract Incentives</b>						
Grant Requirements	Requirements for participatory grants that solicit activity ideas encourage contractors to engage beneficiaries in decision-making	33%	0%	6%		
Project Indicators	Project indicators for explicit participation goals encourage contractors to pursue participation	0	14%	0	<i>pval=0.0464;</i> <i>cor = 0.714</i>	
<b>Institutional Constraints</b>						
AID Institutions/Structure	USAID regulations, structural requirements such as criteria for CSOs to receive grants, the RFP design process, and processes such as USAID approval requirements for activities constrain contractors' flexibility to delegate decision-making power	0%	43%	33%		
AID Says They Want Something	USAID making a request for a particular activity encourages the contractor to implement it as requested and not engage beneficiaries to select or design it	0%	14%	22%	<i>pval=0.00493;</i> <i>cor= - 0.8703</i>	
US Politics	US politics may dictate project priorities, which decreases flexibility for beneficiary decisions	17%	43%	6%		
<b>Institutional Incentives</b>						
AID Expectations	Expectations from USAID to pursue a participatory approach encourage implementation of allocated delegation	17%	43%	11%		
AID Institutions/Structure	USAID messaging about priorities for participatory approaches adopted at an institutional level	50%	29%	6%		
Time between RFA and Project Start	During the period of time between design of the RFP and contract award, much can change in the local context, which may render specified project activities inappropriate, encouraging beneficiary participation to re-calibrate project activities	17%	14%	6%	<i>pval=0.009122</i> <i>; cor= - 0.839</i>	

While it initially appeared that the relationship between allocated and implemented delegation was not mediated by incentives or constraints, looking at individual incentives identified five factors that influence the occurrence of implemented delegation, given allocated delegation as specified in the RFP. Chapter 3 considered which factors predict the occurrence of allocated delegation at the contract level given an environment of countervailing incentives supporting and limiting participatory approaches that face aid donors. In comparison, this section looks at how these countervailing incentives influence contractor decisions with regard to implementing allocated delegation, and uncovers that incentives influence donor and contractor decisions differently at these different points in the process. Further, once an RFP is written, allocated delegation itself becomes an incentive supporting participation that contractors face.

#### 4.4.3.2 Hypothesized Mediating Variable: Beneficiary Power and Institutionalization

As explained above, only a few incentives appear to mediate the relationship between allocated and implemented delegation. However, analysis of interviews indicates an additional factor likely mediates this relationship (given allocated delegation as specified in the RFP): the degree of local power held by the beneficiary decision-maker. The analysis suggests that more local power a beneficiary has, the more likely they are to be delegated decision-making power during implemented delegation that is greater than what was allocated.

Table 4.10. Beneficiary Recipients of Additional Delegation, Replicated

Project	More Implemented Delegation to:
1	Government beneficiaries
2	Government beneficiaries
3	Government beneficiaries
4	Formal CSOs
5	Government beneficiaries, University Beneficiaries
6	Local Governments, Private Sector, Foundations
7	State and Local Governments, Formal CSOs
8	Federal Government, Formal CSOs, Academia

Table 4.9, replicated from Table 4.5, demonstrates that additional decision-making power is delegated to institutionalized beneficiaries, primarily government actors, but also formal and locally well-respected civil society organizations (CSOs), universities/academia, foundations, and the private sector. Notably, six of seven projects delegate additional decision-making power to recipient country government actors. This reflects a key finding from Chapter 2: delegation of decision-making power to recipient country governments is a common strategy applied in foreign aid contracts, and reflects a type of beneficiary participation not often discussed.

Table 4.10 reframes the findings presented in Table 4.6, grouping beneficiaries by degree of institutionalization and local power. The difference between the highest and lowest power groups clearly reflects the trend: more local power means more decision-making power implemented. However, the middle group, consisting of institutionalized non-government organizations, does not consistently follow this trend.

Table 4.11. Implemented delegation, percent of respondents (non-exclusive), replicated

<i>Expectation (read left to right)</i>	<i>*AD = Allocated delegation</i>	<b>Most Institutionalized/ Highest Power: Government Beneficiaries</b>	<b>Mid-Institutionalized/ Power: Non-Government Beneficiaries (institutionalized)</b>	<b>Least Institutionalized/ Lowest Power: Non-Government Beneficiaries (not institutionalized)</b>
<i>Low to High</i>	Less AD implemented than contract	17%	8%	33%
<i>Low to High</i>	No AD Implemented as per contract	33%	32%	33%
<i>High to Low</i>	AD implemented as per contract	42%	32%	33%
<i>High to Low</i>	More AD implemented (to Govt.)	50%	NA	NA
<i>High to Low</i>	More AD implemented (to Non-Govt.)	NA	60%	22%

Institutionalized non-government beneficiaries receive more implemented delegation than non-institutionalized non-government beneficiaries, but only sometimes receive less implemented delegation than government beneficiaries. This is likely explained by the fact that some institutionalized non-governmental organizations involved in project decision-making were highly respected local actors with a great deal of local power. In fact, contractor and donor respondents explained that particular institutionalized non-government beneficiaries were considered critical, ‘must include’ actors. Future work could better classify the degree of local influence and power held by different beneficiary groups beyond government vs. non-government as a proxy for degree of local power and institutionalization.

As a result of these findings, I propose a new hypothesis to be tested in future work to assess the validity of this concept as a mediating variable: The more local power a beneficiary

has, the more likely they are to be delegated decision-making power during implemented delegation that is greater than what was allocated.

#### 4.4.4 *Do Beneficiary Decisions from Implemented Delegation Influence Project Activity Selection and Design?*

If allocated delegation serves as a floor in the vast majority of activity sets, what are the relationships between the next two stages, implemented delegation and beneficiary influence?

The process-tracing activity demonstrated that across activity set types, when implemented delegation did occur, beneficiaries influenced activities. When implemented delegation did not occur, beneficiaries did not influence activities (see Table 4.3). However, there are a few important caveats to this conclusion.

First, this process considers implemented delegation to have occurred whether it is initiated by the project or by the beneficiaries themselves. Therefore, there are activity sets without allocated delegation, in which beneficiaries initiated implemented delegation by contacting project staff and making requests for project assistance, and which resulted in a subsequent change in project activities. For the purposes of this chapter, this is categorized as implemented delegation leading to beneficiary influence, and called beneficiary-initiated implemented delegation. This is the only mechanism through which beneficiaries influence activities without project-initiated implemented delegation. Sometimes beneficiary-initiated implemented delegation did not result in activity changes: the project was unable or unwilling to accommodate the request due to limitations in flexibility from project budget, timeline and scope. These reasons will be discussed further below.

Second, the process-tracing results table (Table 4.3) indicated that the project made changes to activities as a result of beneficiary decisions and input the vast majority of the time. However

frequent, this was not always the case. Table 4.11 shows that 75% of government beneficiary respondents and 69% of non-government beneficiary respondents noted that project activities changed as a result of their input. Third, the interview data was not collected in such a way as to directly measure the *extent* to which the project activity changes reflected the beneficiary decisions made. Table 4.13 reflects that the beneficiary decisions did influence activities to some extent.

Table 4.12. Percent of beneficiary respondents noting that activities changed per their input

Beneficiary Input Influenced Project Activities	Government Beneficiaries	Non-Government Beneficiaries
Yes	75%	69%

However, interview results show that beneficiaries were not always able to influence project activities to their preferred extent. Table 4.12 shows that 17% of government beneficiaries and 32% of non-governmental beneficiaries would have preferred additional activities, while only non-institutionalized non-government actors would have preferred different activities (at a rate of 11%). Further, no beneficiary respondents wanted fewer activities.

Table 4.13. Percent of respondents with other preferences

Beneficiaries wanted:	Government Beneficiaries	Non-Government Beneficiaries	<i>Non-Government Beneficiaries (institutionalized)</i>	<i>Non-Government Beneficiaries (not institutionalized)</i>
Additional Activities	17%	32%	28%	44%
Different Activities	0%	3%	0%	11%
Fewer Activities	0%	0%	0%	0%

All projects featured at least one beneficiary respondent who, after being engaged in decision-making activities with the project, said they would have preferred to do additional

activities with the project. This is not surprising. International development projects operate in an environment of professionals stretching scarce resources as far as possible. Further, these projects are themselves operating in resource-scarce communities—otherwise they would not qualify for aid. In these environments, people are predictably looking for additional resources to further their work and advance their goals.

When contractors were asked why the additional activities were excluded, two main limitations arose: 1) the project need to adhere to scope, and 2) the project need to adhere to budget. The additional activities desired often didn't meet scope requirements, or the project didn't have the budget to add them. Alternatively, with a set budget, chiefs of party sometimes found that other activities *better* fit both the scope and budget. Projects may be choosing among multiple beneficiary requests (too many to fund), and selecting the best fit in terms of scope and budget.

On a limited number of activity sets, beneficiaries also reported wanting different activities than those the contractor selected. Reasons included conflicts between supervisory-level decisions (which were coded as fulfilled allocated delegation) and target beneficiary preferences. The project at times implemented supervisory-level decisions, resulting in disgruntled staff who would have preferred other activities. In another example, low-capacity CSOs wanted to focus only on a particular set of technical activities, but were first required to follow a set of organizational-strengthening activities which they considered redundant or not applicable. In one instance, the beneficiary preferred a different underlying model/theory of change to address the public problem, but agreed with the subsequent activities selected once the model was established as non-negotiable.

Table 4.13 demonstrates the ways that beneficiaries influenced activities. 71% of chiefs of party indicated that beneficiaries influenced project activities via vetting, generating new activities, and influencing existing activities, and 29% noted that beneficiaries influenced their project activities by adding or changing project sites and generating new grants. Beneficiaries perceived their influence to be lower. About a quarter of beneficiaries thought they had influence via vetting, changing or adding project sites, and generating new grants. Slightly more beneficiaries perceived that their input was used to generate new activities and influence existing activities.

Table 4.14. Percent of respondents noting activity changes based on input, by type of input

	Chief of Party	Beneficiary Respondents
Vetted Ideas	71%	24%
Changed/Added Site	29%	22%
Generated Activity	71%	39%
Influenced Activity	71%	43%
Ideas Used in Grant	29%	33%

Finally, Table 4.14 informs us that beneficiary ideas and decisions were often changed to better fit project needs. According to chiefs of party and government beneficiaries, this was most commonly achieved by improving the technical approach to better align with project scope, and to expand the technical scope. Project staff often worked with beneficiaries to improve grant application quality. Non-governmental beneficiaries perceived the widest array of ways that their ideas (and particularly their grant proposals) were changed, including the same changes noted by

other respondents, plus efforts to limit the technical approach, shrink the activity and grant budgets, and improve grant budget proposals.

Table 4.15. Percent of respondents who perceived beneficiary ideas changed, by type of change

<i>Beneficiary Idea Changed to:</i>	Chief of Party	Project Team (without the COP)	Government Beneficiaries	Non Governmental Beneficiaries
Better Align with the Project Scope	14%	0%	8%	9%
Expand the Technical Scope	14%	0%	8%	6%
Improve Application Quality	0%	11%	0%	6%
Improve Budget Approach	0%	0%	0%	6%
Improve Technical Approach	29%	6%	0%	0%
Limit Technical Scope	0%	0%	0%	3%
Shrink the Budget	0%	0%	0%	6%

Based on the combination of results, beneficiaries do seem to influence project activities (confirming the ‘positive’ coding for *whether* beneficiary influence occurs as a result of implemented delegation). However, the findings suggest that the *degree* of beneficiary influence often does not match the degree of decision-making power delegated during implemented delegation. Instead, project staff seem to be simultaneously responding to incentives from the aid delivery chain such as scope and programmatic goal requirements or budgetary limitations.

#### 4.4.5 *Under What Conditions Do Decisions from Implemented Delegation Translate to Activities?*

What factors make beneficiary influence over activity selection and design more or less likely?

While the theoretical framework did not propose, and I did not test any predicted mediating variables, the analysis suggested four factors may play this role. In this section, I discuss these factors and propose hypotheses for future research to test the validity of the variables as mediating factors. These variables include: unanticipated beneficiary participation, constraints

from the contract and institutional environment, the number of different beneficiary preferences, and the degree of local power held by the beneficiary decision-maker.

#### 4.4.5.1 Hypothesized Mediating Variable 1: Unanticipated Beneficiary Participation – Beneficiary-Initiated Implemented Delegation

On a number of activity sets with no allocated delegation nor project-initiated implemented delegation, beneficiaries independently created avenues for participation: beneficiary-initiated implemented delegation. In some of these instances, beneficiaries made ‘special requests’ for project support. The vast majority of these requests came from beneficiaries in positions of power, and mostly from government: elected or appointed officials or (high-level) bureaucrats. Often, these requests were accommodated. The more power held by the beneficiary making the request, and the more the project depends upon their buy-in for successful contract completion, the more likely the project was to accommodate.

While chiefs of party reported trying to accommodate requests from beneficiaries when possible, they, like contractors above, noted that there were certain circumstances in which it was not possible (i.e. beneficiaries participated and expressed preferences, but project activities did NOT change):

1. Scope. Projects must adhere strictly to the scope of activities and project goals outlined in their contract. When beneficiaries request activities outside of the project’s scope, that do not contribute to project goals, chiefs of party feel compelled to refuse activities, or to suggest similar alternatives that accord with project scope and goals.
2. Budget. Foreign aid projects operate with very constrained resources given the magnitude of what they’re expected to accomplish. Given this, chiefs of party are constantly making decisions about tradeoffs between activities and activity details to maximize project

impact. While they typically try to accommodate reasonable governmental actor requests that comply with project scope, budgetary restrictions may prevent them from doing so, or from doing so to the extent requested.

An interesting feature of this variable, however, is its unanticipated sequencing. The process-tracing exercise expected that participation would occur between implemented and allocated delegation. Instead, this evidence demonstrates that beneficiaries may participate without the project implementing any participation tools at all. Analytically, this can be treated as a kind of retroactive implemented delegation, since contractors ultimately do receive beneficiary decisions and then choose whether or not to accommodate them. While activity sets demonstrating this pattern are uncommon, there are two iterations. Either beneficiary decisions influence activities, or they don't.

As a result of this finding, I propose a new hypothesis that should be subject to future testing to determine its validity: Beneficiary initiation of implemented delegation increases the likelihood of beneficiary influence over project activity selection and design.

#### 4.4.5.2 Hypothesized Mediating Variable 2: Constraints to Participation from the Contract and Institutional Environment

In addition to certain incentives and constraints influencing the relationship between allocated and implemented delegation, contract and institutional constraints also appear to influence the relationship between implemented delegation and beneficiary influence, reducing the degree of beneficiary influence. Constraints from the aid delivery structure (including the contract and institutional environment) appear to influence the degree to which beneficiaries influence project activity selection and design. These constraints appear to influence both whether implemented delegation predicts beneficiary influence, but also *how much* implemented delegation influences

project activities. Table 4.15 shows the percent of each type of respondent that identified experiencing each type of constraint.

Table 4.16. Contract and Institutional Constraints, percent of each type of beneficiary reporting experiencing each type of constraint

	COR	COP	Beneficiary-Government	Beneficiary - Non-Governmental
<b>Contract Constraints</b>				
Funding Limitations	17%	43%	8%	6%
Limited Time	17%	29%	17%	21%
Project Indicators	33%	43%	0%	18%
Reporting Requirements	0%	14%	0%	6%
Scope/Alignment	33%	100%	33%	47%
<b>Institutional Constraints</b>				
AID Institutions/Structure	0%	43%	0%	12%
AID Design Process	17%	14%	0%	0%
AID Says They Want Something	0%	14%	0%	3%
Time between RFA and Project Start	17%	14%	0%	0%
US Politics	17%	43%	8%	0%

Contract constraints appear to play two roles. First, limitations in funding and time serve to either decrease a project's ability to take on additional beneficiary requests beyond allocated delegation and planned project activities (see below), AND/OR limit 'how much' beneficiary request the contractor is willing or able to accommodate (leading to many beneficiaries reporting a preference for 'additional activities' (see below)). Second, the scope and nature of project activities are geared towards fulfilling the formal reporting requirements (progress towards contract goals). This leads contractors to constrain their focus to beneficiary preferences that align with the project scope and goals as opposed to a broader set of beneficiary preferences. (This also leads to beneficiaries preferring additional activities beyond those accommodated.)

There are three ways this differs from the process map. First, contract constraints may prevent or limit the project's inclusion of beneficiary decisions in project activities. Second, contract constraints may prevent beneficiaries from engaging in participation if they do not or cannot align their interests and work within project scope and goals. Third, contract constraints

may compel projects to target individuals holding leadership roles within the beneficiary population as the key participant decision-maker.

All chiefs of party provided examples of beneficiary preferences that were outside the scope of the project's goals. Some were outlandish—not only an obvious mismatch, but an inappropriate use of government funding. Others were compelling activities to address a public problem, but did not contribute to achieving project goals and targets. In these cases, the contract scope constraints prevented the project from including these beneficiary preferences.

Additional constraints included budget and timeframe. Projects do not always have funding to support beneficiary preferences, either because the proposed activity is too expensive, or because they have already obligated funding elsewhere. Similarly, project teams cannot implement activities without sufficient time. The idea proposed may be longer than the entire project's period of performance, or it may be presented too late in the cycle to merit taking on new approaches.

Contract constraints also affect the degree to which implemented delegation influences project activities via their impact on beneficiary participation in application of participation tools during implemented delegation. When beneficiaries don't participate, their ideas cannot be channeled into activities.

The majority of beneficiary interviewees, especially non-institutionalized non-governmental beneficiaries applying for grants, explained that they only participated in decision-making activities when the project aligned with their pre-existing goals and work. This means that the grant solicitation process is preventing beneficiaries from applying. First, by limiting the scope of work considered for the grant, you largely confine applicants to those already interested in and working in the relevant areas. Second, grant solicitations require significant administrative

capacity and responding is an extremely burdensome process. This eliminates applicants with limited capacity or insufficient resources to apply. Organizations report only being willing to pay the high opportunity cost of the application process if the project pursues their organizational mission and if they feel they have a reasonably high chance of receiving it (i.e. they have a history of success in implementing this type of work). Therefore, the scope and reporting requirement constraints don't appear to create false beneficiary preferences, but rather limit the beneficiaries that pursue opportunities to those with preferences that align with the project. In fact, interviews with beneficiary grantees indicate that rather than 'inventing' within-scope preferences to receive support and funding, they rather felt constrained to pursue only opportunities relevant to their preferences. Further, these constraints limit the pool of beneficiaries that actually express preferences to those willing to apply, and excludes beneficiaries who simply don't agree with the general scope or approach of the project itself, or can't afford to apply.

These constraints may also change *whom* the contract team engages in decision-making activities from within beneficiary groups. When facing limited time and beneficiaries with organizational hierarchies, contractors often engage with one or a few high-level leaders or supervisory-level staff in decision-making activities instead of the individuals who will be directly targeted by the project activity. This yields easier identification approaches, saves time to 'generate consensus', and engages individuals who are more used to collaborating with foreign representatives and development projects. Buy-in from the leader or supervisor also tends to ensure target group acceptance of engagement in the decided-upon project activities, based on the assumption that these leaders know and will appropriately represent target beneficiary preferences and needs. While this assumption does appear to hold up in some

circumstances, perspectives and interests may be vastly different and create conflict or disgruntled target beneficiaries. Tables 4.16 and 4.17 present this breakdown across and by all respondent types.

Table 4.17. Level of Decision-Making

	All Respondents
High Level Leadership Decides	30%
Supervisors Decide	27%
Direct Beneficiaries Decide : Government	17%
Direct Beneficiaries Decide : Non-Government	55%

Table 4.18. Level of Decision-Making: percent of each type of beneficiary respondent reporting that decision-making occurred at each level of decision-making

	COR	COP	Team Not Including COR+COP	Beneficiary-Government	Beneficiary - Non-Governmental	Beneficiary-NG institutionalized	Beneficiary-NG not institutionalized
High Level Leadership Decides	17%	71%	28%	58%	15%	20%	0%
Supervisors Decide	0%	57%	33%	17%	26%	28%	22%
Direct Beneficiaries Decide : Government	17%	57%	11%	50%	0%	0%	0%
Direct Beneficiaries Decide : Non-Government	33%	86%	44%	17%	71%	72%	67%

Institutional constraints also limit the scope of beneficiary decision-making. For example, USAID limits project partners. Of note for the region of study, projects cannot work with gang members, and certainly not as project decision-makers, without explicit (and hard to obtain) approvals and strict constraints governing the activities. Projects (and beneficiaries) cannot spend project resources on certain types of goods or services. For example, projects typically cannot build physical infrastructure, and require burdensome approvals in special circumstances. Activities with negative externalities on the environment are prohibited except with approvals, often so challenging that projects simply avoid requesting them unless absolutely necessary.

One beneficiary explained that they wanted to obtain a USAID grant for equipment to process raw agricultural goods that they produced. The project was able to provide funding for the equipment and training but was unable fund the physical infrastructure due to USAID constraints. Ultimately, separate funding was acquired to co-finance the activity and provide funding for the building, allowing the project to proceed. However, a workaround is not always available. When a project has many beneficiary ideas to choose between, the options that do not easily fit within the existing institutional regulations are less likely to be chosen.

Interviewees also repeatedly pointed to the need for USAID approval for many activities, including beneficiary grants. This approval process may simply be a greenlight, allowing beneficiary decisions to remain in their original form. In other cases, significant changes require approval, ranging from technical to administrative to budgetary in scope. In short, after beneficiaries participate in implemented delegation activities, institutional constraints eliminate some beneficiary decisions that are not compatible, modify other decisions, and leave others as they are. However, contractors report employing strategies to overcome these constraints, as will be discussed in the next section.

#### Working Around Constraints: Maintaining the Participation Priority

The identified constraints don't seem to change the occurrence of implemented delegation or its impact on project activities, but rather the nature of the impact. This is partly because projects have become particularly adept at working around these common constraints to achieve participation goals and project objectives. Some projects make special efforts to help less-institutionalized beneficiary groups overcome both the costs and hurdles of participating. As one chief of party explained, awarding grants to low-capacity non-governmental groups is treated as a separate type of project approach.

If you care about getting really good professional grantees to do solid work... [we follow an approach where we get] really good applications in and we trust them to pretty much do what they do... [and] we selected them [for that purpose]... [On the other hand,] if your priority is to empower grassroots and local organizations, [they] need help... [They say], 'We have no idea what we're doing. We need all the help we can get right.' So they're very different goals.

On the other hand, these constraints are sometimes simply barriers to successfully implementing activities. Strategies identified to overcome these constraints include<sup>30</sup>:

#### Addressing Low Grantee Capacity

- Providing grantees with operational support
- Providing grantees with technical support
- Grantee orientations and workshops
- Providing a menu of options for beneficiaries to select from instead of a rigorous grant application process
- Using fixed price grants

#### Ensuring Alignment

- Pre-informing beneficiaries of expectations to align with the project scope/goals (often through grant application information workshops or informal discussions)
- Providing a menu of options for beneficiaries to select from instead of a rigorous grant application process

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<sup>30</sup> Note that strategies to overcome other types of constraints were not identified by respondents.

Addressing Political Changes (changes in beneficiary preferences due to new beneficiaries)

- Re-consulting with beneficiaries after political changes (new/replacement government is newly consulted)

Limited Time & To Get Access

- Working with high level leadership and supervisory level staff as decision-makers instead of the direct beneficiaries who are targeted by activities

The prevalence of these mitigation approaches in aid work suggest a change in the nature of delivering participation spaces and opportunities to beneficiaries, by conditioning and channeling participation at the start, changing who is deciding, and requiring multiple rounds of participation tool implementation with potential mid-course activity changes.

These findings suggest that incentives may mediate the relationship between implemented delegation and beneficiary influence, resulting in the following hypothesis that should be tested in future work: Institutional- and contract-level constraints that limit funding, time, and scope reduce the extent to which beneficiaries influence project activity selection and design.

4.4.5.3 Hypothesized Mediating Variable 3: Excess Beneficiary Demand via Participation

While incentives from the aid delivery structure may to influence whether implemented delegation leads to beneficiary influence over project activity selection and design, the number of preferences and decisions expressed to contractors may also to play a role. Interview respondents explain that projects can rarely accommodate all beneficiary preferences, largely as a result of budget, scope and time constraints. This is particularly noteworthy in two occasions: 1) when projects seek proposals for small grants from non-governmental organizations, and 2) when

beneficiary decision-makers make additional requests of the project beyond implemented delegation.

Typically, projects receive numerous grant applications in response to a single solicitation. However, given funding constraints, projects can usually select only a portion of proposals for funding, based on accordance with project scope and goals, organizational capacity, and strength of the technical approach. However, this inevitably means that beneficiary ideas are being left out of project activities. The more applications there are (or the more excess beneficiary demand for project activities there is), the smaller the percentage of beneficiary input left over to influence project activities.

The same is true in the case of non-grant ‘additional’ requests for project activities. Project implementers note that funding constraints, limited time, and the need to adhere to scope requirements constrain what they are able to incorporate into project activities.

While this means that some beneficiaries did participate via implemented delegation but were not selected as grantees, or their additional requests were not accommodated, these potential beneficiaries were not interviewed. While this lack of interviews is a limitation of the study, it seems clear that all projects receive more beneficiary decisions than they can accommodate via grant solicitations and beneficiary-initiated implemented delegation. The process tracing results table (Table 4.3) show us that beneficiary influence is always preceded by implemented delegation, but it cannot show us cases where only some of the expressed decisions within the same application of the participation tool were accommodated. Instead, I hypothesize that Excess Beneficiary Demand via Participation decreases the occurrence of beneficiary influence, given beneficiary decisions collected via implemented delegation.

#### 4.4.5.4 Hypothesized Mediating Variable 4: Beneficiary Power and Institutionalization

Beneficiary power and institutionalization appears to influence *how* beneficiaries influence project activities, rather than *whether* they do so. According to Table 4.18, 67-75% of beneficiary respondents perceived their input had an influence on project activities. Note that not all beneficiary respondents were allocated decision-making power in the contract, and so we would not expect 100% of them to report influence over project activities. The more institutionalized the beneficiary, the more they noted activity change based on their input at the aggregate level—but with small increases.

Table 4.19. Percent of respondents noting that activities changed per their input

Beneficiary Input Influenced Project Activities	Recipient Government Beneficiaries	Non-Government Beneficiaries	<i>Non-Government Beneficiaries (institutionalized)</i>	<i>Non-Government Beneficiaries (not institutionalized)</i>
Yes	75%	69%	70%	67%

However, breaking down the results by how beneficiaries perceived that they influenced activities provides additional complexity, with variation largely corresponding to the trends observed in the type of participatory activity through which different types of beneficiaries engaged (see Table 4.19). For example, government beneficiaries were more likely to participate in consultation, priority setting, and co-production. Therefore, it makes sense that they would perceive their impact to be greater in terms of vetting ideas (58% of respondents) and influencing pre-established activities (42%). Non-governmental actors were more likely to engage in needs assessments and propose new activities to be implemented via small grants. In this case, it makes sense that they would perceive their impact to surround generating new activities (often in

response to solicitations from the project for activities and grants—41% and 38% respectively). (See Table 4.19).

Table 4.20. Percent of respondents noting that activities changed per their input, by type of change

	Government Beneficiaries	Non-Government Beneficiaries	<i>Non-Government Beneficiaries (institutionalized)</i>	<i>Non-Government Beneficiaries (not institutionalized)</i>
Vetted Ideas	58%	12%	12%	11%
Changed/Added Site	33%	18%	20%	11%
Generated Activity	33%	41%	48%	22%
Influenced Activity	42%	44%	52%	22%
Ideas Used in Grant	17%	38%	36%	44%

As in Chapter 3, the type of engagement via allocated delegation differs based on beneficiary type, a pattern repeated in the mechanisms through which beneficiaries influence project activities.

As a result of this finding, I propose the following hypothesis: the more local power a beneficiary has, the greater their influence over project activity selection and design will likely be.

## 4.5 DISCUSSION

Taken together, these results tell us that allocated delegation matters for participatory development on-the-ground, but not always in the way predicted by the theory. A series of patterns emerges connecting allocated delegation to its subsequent steps. The results section summarized and interpreted the extent to which allocated delegation becomes implemented, and implemented delegation leads to beneficiary influence over project activities, and identified

mediating factors. This section summarizes what beneficiary participation really looks like within foreign aid, integrating the findings and new hypotheses discussed above, and channels the results into new, more accurate process maps of how allocated delegation influences project activities in practice.

#### 4.5.1 *How Does Participatory Development Occur When Implemented Through Foreign Aid?*

Participatory development is typically studied with little focus on the way in which it is delivered or implemented at the local level. This study demonstrates that the delivery structure through which participatory development is implemented conditions both whether and how it occurs in the field. Beneficiary participation usually occurs when a contract specifies it should, or when particular beneficiaries are needed to ensure contract success. In this sense, allocated delegation serves as a floor for beneficiary decision-making (except in rare circumstances), meaning that allocated delegation is either implemented as specified in the contract, or additional decision-making power is delegated. This encapsulates five processes: 1) no allocated delegation is specified or implemented, 2) allocated delegation is specified and implemented, 3) projects delegate less decision-making power than specified in the contract, 4) projects initiate additional implemented delegation that was not specified in the contract, and 5) beneficiaries initiate additional implemented delegation that was not specified in the contract.

In each of the processes, I have updated the maps to reflect the process tracing results with respect to variables that may mediate each of the two key relationships. Results found via hypothesis testing in this study are shown in the figures below, and variables that are identified in this study as possible mediating factors and should be subject to future testing, are shown in grey. During hypothesis testing, I found that project indicators for participation are positively

correlated with implemented delegation, just as funding restrictions that limit flexibility for beneficiary participation, and donor requests for specific activities during project implementation are inversely correlated with allocated delegation. These factors are shown as mediating the relationship between allocated and implemented delegation. In the third process listed above, where projects delegate less decision-making power than is allocated, an additional factor is included to mediate the relationship: reporting requirements for contract goals deprioritizes beneficiary participation.

The four additional factors may mediate the relationship from implemented delegation to beneficiary influence are also incorporated in the updated maps (in grey) as new hypothesis for future testing. The analysis identified two types of implemented delegation: project-initiated and beneficiary-initiated. As such, the process maps have been updated to show what kind of implemented delegation occurs. Further, contract and institutional constraints, as well as too many beneficiary decisions to accommodate are shown in the diagrams to mediate the relationship between implemented delegation and beneficiary delegation, as they were found to decrease the occurrence of beneficiary influence. Beneficiary institutionalization and power were shown to determine the occurrence and extent to which beneficiaries influence project activities, and are thus incorporated into the maps.

Figure 4.3 depicts the first two processes, which constitute our expected findings (of 000 or 111 with respect to allocated delegation, implemented delegation and beneficiary influence).

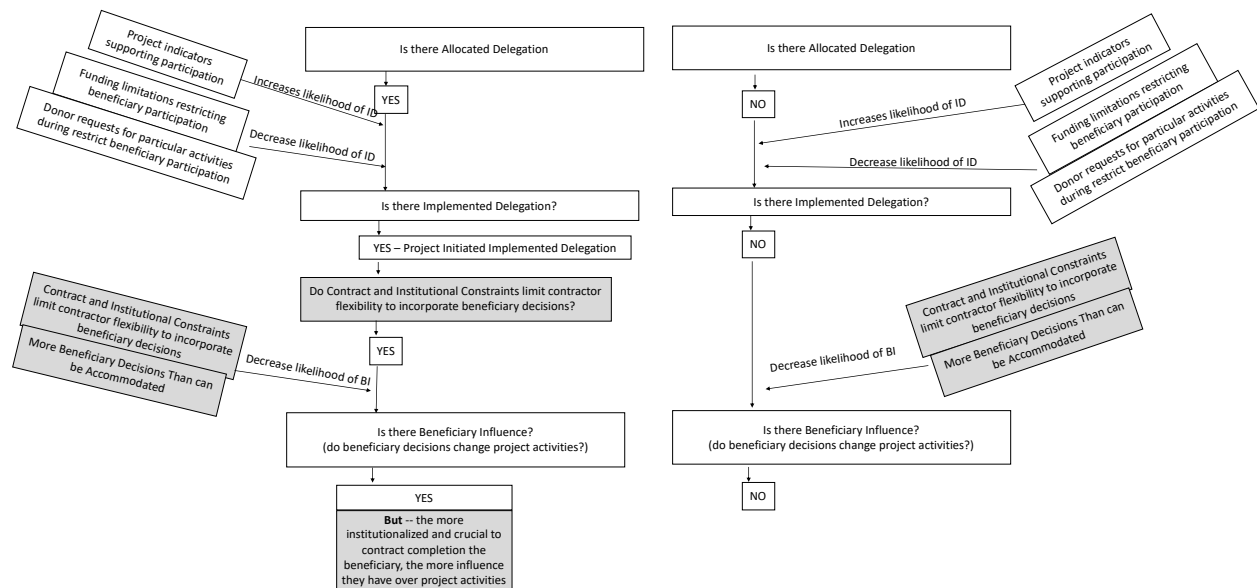


Figure 4.3. Allocated delegation as a floor, expected findings (hypothesized mediating variables inductively explored in this study are shown in grey)

Figure 4.4 shows the second two processes, with unexpected findings, in which implemented delegation occurs without allocated delegation, and highlights an important trend from this study. Analysis of the coded interviews suggests that the more institutionalized a beneficiary, the more they will receive additional decision-making power (in implemented delegation) beyond what was allotted in the contract, *and* the more influence their decisions will have over project activities. This inductively derived variable is proposed in a new hypothesis as mediating both the relationship between allocated and implemented delegation, and implemented delegation and beneficiary influence, and should be subject to future testing. The analysis shows that government beneficiaries have relatively more decision-making power allotted to them (both as indicated in the contract, and in addition to contract specifications), and institutionalized non-government actors have significantly more decision-making power allocated to them than those that are not institutionalized. Further, institutionalized non-government beneficiaries have more decision-making power (delegated and additional) allotted to them than non-institutionalized, non-government beneficiaries, who are also more likely to experience less allocated delegation

than the contract specified. Their preferences are met at much lower rates than those of other types of beneficiaries; and they wanted both additional and different activities at much higher rates. It may be easier, less time-consuming, and less risky to identify and engage with established, institutionalized actors, who are 1) more likely to quickly understand the language and goals of aid activities, 2) more easily identifiable, and 3) more likely to buy-in to engaging with the project than traditional community-level actors. Further, institutionalized actors likely have higher levels of capacity and greater experience with international donors, reducing the risk of contract failure facing aid donors and implementing partners.

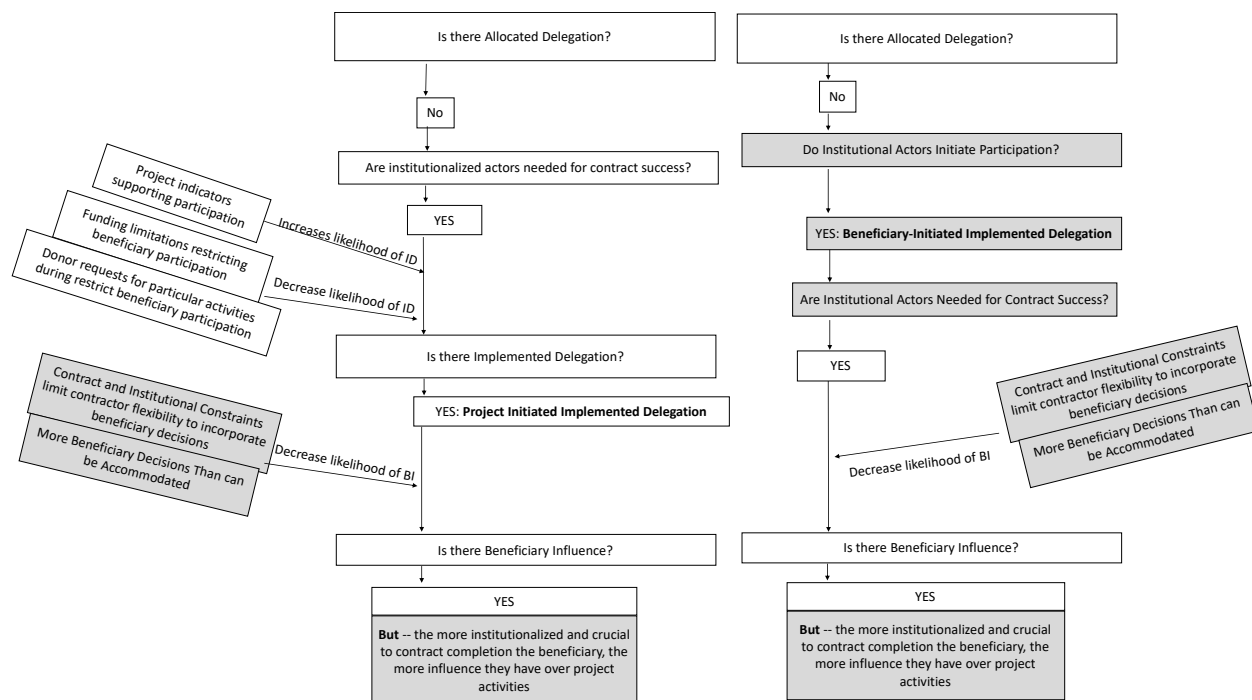


Figure 4.4. Allocated delegation as a floor, unexpected findings (hypothesized mediating variables inductively explored in this study are shown in grey)

Second, there appears to be a hierarchy of local power directly associated with the degree of delegated decision-making power. Of the three types of beneficiaries, governments have the most power over foreign aid projects. Often, they are a critical beneficiary whose buy-in and participation are a prerequisite for project success. For example, contract-specified activity areas

such as ‘improve technical capacity among the ministry of education’ require government leadership to be on-board for the activity to move forward. They must agree on specific activities and their goals, and the vetting process usually includes input from the ministry staff and subsequent modifications by the project. If they say no, the contractor cannot complete a portion of its obligations. Government actors may also act as gatekeepers, blocking the project’s work with related non-governments actors, and preventing activity implementation. This power explains higher levels of allocated delegation, higher rates of full implementation of allocated delegation, and higher rates of additional delegation being implemented.

Institutionalized non-government actors enjoy the next largest degree of power. Often locally recognized experts perceived to be critical to local legitimacy or success, they are often sufficiently self-sustaining to opt out of participation. These two elements position this group to make demands of the project, including closer adherence to their organizational mission and goals. In contrast, non-institutionalized non-government beneficiaries have neither the funding to be self-sustaining nor the local recognition to make demands of a foreign aid project. However, the decision to participate can depend upon the degree of an organization’s institutionalization. Donors appear to favor small grant proposals from beneficiary groups as the primary means of collecting non-governmental beneficiary decisions. However, receiving and implementing grants comes with a series of strict, burdensome, and costly requirements, including formal financial disclosures and sufficient financial management structures. Quite often, only the more institutionalized non-governmental beneficiaries are able to clear these hurdles and accomplish these tasks. In this way, only institutionalized non-government actors qualify for the grants that give away the most decision-making power.

The degree to which the participating beneficiary is institutionalized appears to predict the degree to which they receive additional decision-making power beyond contract requirements and perceive that their input is reflected in project activities. Interviews indicated that the more a particular beneficiary is needed to ensure successful completion of the contract requirements, the more the project is willing to accommodate their preferences. When a beneficiary's refusal to cooperate with project activities jeopardizes contract completion, it has more power to engage in decision-making activities and add on additional ones. In other words, a credible threat of exit (Hirschman, 1970) by a critical beneficiary makes a project more inclined to accommodate their needs and preferences. Also, the more institutionalized and financially independent a beneficiary is, the less *they* need the project, and the more they are able to walk away if they don't agree with project goals or activities, or don't feel their perspectives are included or respected. In other words, the more institutionalized a beneficiary, the more credible their potential threat of exit.

Hirschman's framework (1970) argues that the degree of change to prevent exit will depend upon the degree of discontent. In other words, projects (in his case, firms) will seek just enough change to avoid exit. The parallel in aid implementation would seem to be: projects will accommodate requests and preferences that fall outside contract specifications to the extent necessary to ensure beneficiary engagement and project success, but no more. While there is some evidence of this, project leadership does not appear to be explicitly following this calculus in decision-making. Instead of treating interactions with government recipients as negotiations, extracting promises for a minimal project cost, project leaders seem to prefer generating meaningful partnership and collaboration, to the extent possible given the parameters and constraints of their contract.

While the above maps represent the majority of activity sets in the field data, three additional processes represent other alternative pathways: allocated delegation without implemented delegation (Figure 4.5) and implemented delegation without influencing activities (Figure 4.6).

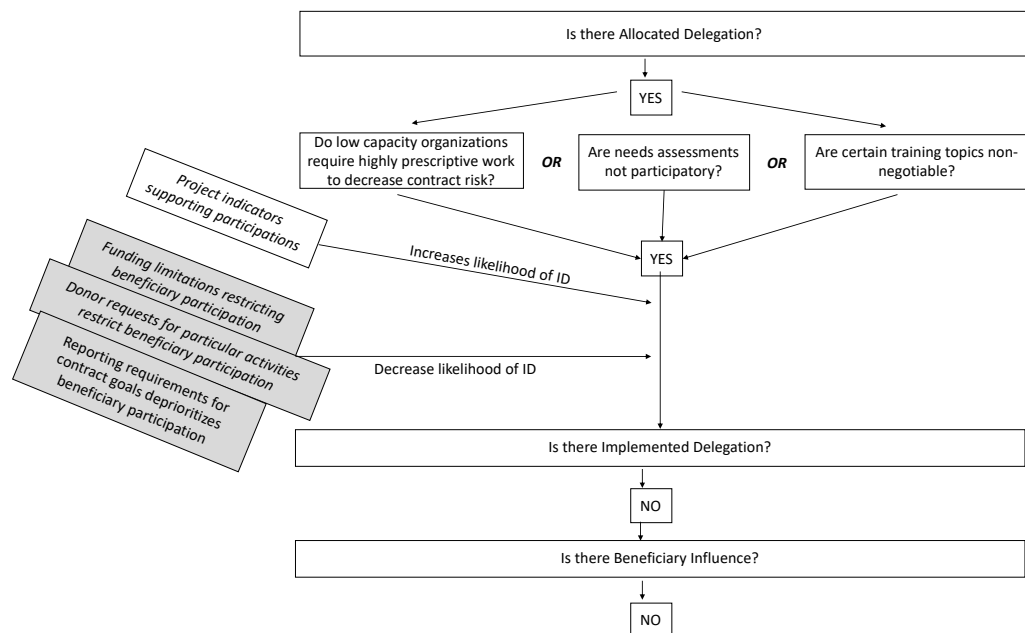


Figure 4.5. Special Circumstances of Less Implemented than Allocated delegation, unexpected finding (hypothesized mediating variables inductively explored in this study are shown in grey)

Figure 4.5 reflects the two primary reasons why projects do not implement allocated delegation: low organizational capacity, non-participatory needs assessments, and constraints around beneficiary training requirements.

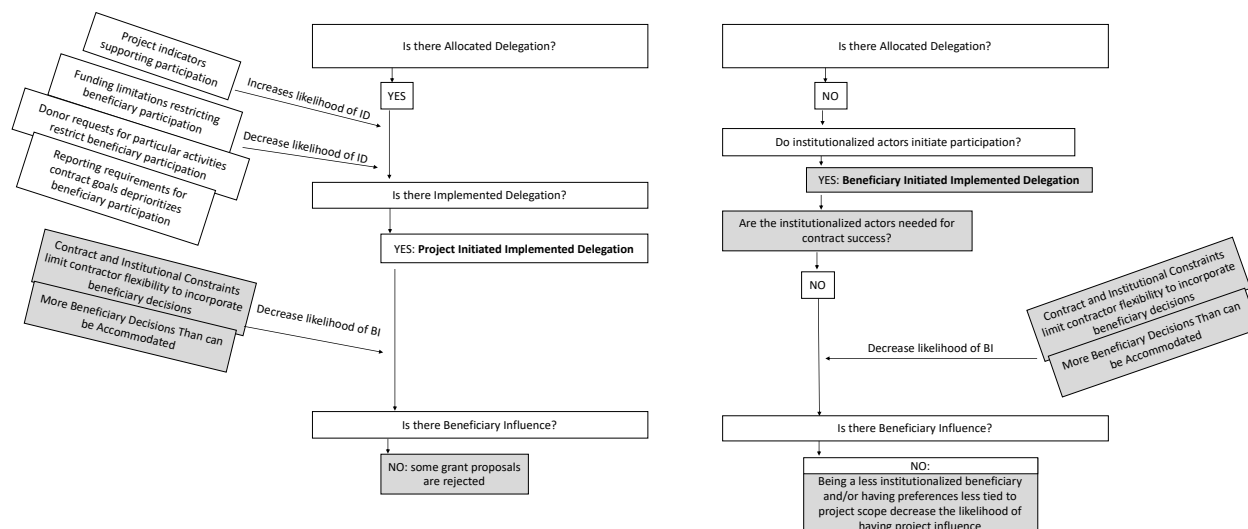


Figure 4.6. When Implemented delegation Occurs, but Beneficiary Decisions Don't Influence Activities, unexpected finding (hypothesized mediating variables inductively explored in this study are shown in grey)

Figure 4.6 demonstrates the two hypothesized circumstances in which implemented delegation occurs but beneficiary decisions do not result in changes to project activities. When there is excess beneficiary demand for project assistance, more beneficiary organizations may apply for grant funding than the project can support, and they must inevitably reject a portion of them, likely resulting in instances of implemented delegation without beneficiary influence. The second circumstance reflects the above discussion on beneficiary institutionalization. The less institutionalized the beneficiary initiating implemented delegation (beyond allocated delegation), the less likely the project may be to use their decisions in project activities. These revised and alternate pathways more accurately represent the data collected, and should be tested with new data from different projects in future research.

These processes demonstrate how beneficiary participation occurs when implemented through a foreign aid delivery structure, but likely apply to other types of delivery structures for implementing international development work with donor funding. Instead of being a pure community-driven process that is scaled up, or handing over decision-making power to local

government actors, what we see in practice are careful attempts to make participation goals work within a set of institutional limitations.

#### 4.6 LIMITATIONS

This chapter is subject to a few limitations. There is one omitted variable from the theoretical framework in chapter 1 that may play a role in mediating the relationship between allocated and implemented delegation: the degree to which the contractor's USAID manager who oversees project implementation supports participatory. To the extent that this variable influences implemented delegation and beneficiary influence, it is not captured in this study and should be explored in future research.

Another limitation of this study is the balance between depth and breadth of interview subjects. In attempting to cover all activity sets in each project, I was unable to ensure multiple respondents per activity set. Where a particular activity set was only discussed with one or two respondents, the data may be biased towards that respondent's perspective.

The coding of interview transcripts may be subject to bias or error, as discussed in section 4.3.4 above. While the percent agreement between the primary and secondary coders was high, the Kappa statistic for intercoder reliability was not. The majority of disagreements relate to 4 variables: how (but not whether) beneficiary ideas were changed based on contractor guidance, the types of strategies used to overcome challenges to implementing participatory approaches, how (but not whether) beneficiaries influenced project activities, and the types of incentives influencing contractor behavior. Therefore, the findings related to these four variables may be less replicable.

Further, as discussed above in section 4.3.5, there may be bias in how the interview responses. Respondents may have reported closer adherence to contract requirements or closer

alignment with participatory approaches than their actual adherence and alignment in practice. While efforts to mitigate this bias, as discussed above, likely helped, there may still be some degree of bias in interview responses.

Finally, the nature of process tracing allows the reader to confirm or reject conditions, behaviors, or decisions made. While this process is useful, it also reduces much of the complexity of the world into a binary picture. Future work could expand upon these results to explain a fuller range of allocated delegation, implemented delegation, and beneficiary influence.

#### 4.7 CONCLUSION

Beneficiary participation in decision-making on aid project activities is occurring, but is conditioned by the aid delivery structure and local powerholders. The degree of decision-making power delegated to beneficiaries is established in contract specifications. Allocated delegation is found to serve as floor. In 91% of activity sets, the degree of decision-making power delegated to beneficiaries during implemented delegation matched that of allocated delegation or exceeded it. There were three types of cases in which implemented delegation was less than allocated delegation: restrictive RFAs when CSOs had low pre-existing capacity, needs assessments were not participatory, and training needs were defined solely by the contractor and donor. The relationship between allocated and implemented delegation is primarily mediated by the degree of local power held by beneficiaries and a particular set of contract and institutional incentives.

The process tracing exercise also identified that when beneficiary influence occurs, it is preceded by implemented delegation. When there are too many beneficiary decisions expressed to the contractor to accommodate, or when contract constraints such as limited project scope prevents contractors from accommodating beneficiary decisions, we see instances where

implemented delegation occurs without beneficiary influence. In addition to these two factors, the degree of local power held by beneficiary decision-makers and the presence of beneficiary-initiated implemented delegation also mediate the relationship between implemented delegation and beneficiary influence, influencing the occurrence of extent to which beneficiary decisions influence project activity selection and design.

Existing theory on participatory development does not incorporate the aid delivery structure, and so misses these key influences on beneficiary participation and its impact on both activity design and effectiveness. Subsequent work should follow three distinct channels. First, these results should be verified in other regions of the world with different types of governments and relationships with the United States. Second, future work should explore the impact of beneficiary influence over project activities on project effectiveness. The theoretical framework from Chapter 1 proposes that beneficiary participation should improve effectiveness by increasing local ownership and the local appropriateness of project interventions. New qualitative empirical work to test these relationships would be a compelling next step in this research agenda. Particularly, this work should study the relationships across beneficiary types, types of decision-making activities used, and different values of allocated delegation (present/absent) when implemented delegation occurs, and compare effectiveness to equivalent activities without beneficiary decision-making. Additionally, future work should test the new hypotheses generated in Chapter 4 regarding potential mediating variables, as well as the alternative pathways inductively derived from the data. Finally, future work should compare these results to those from similar research on multilateral development agencies. Do contractors for these agencies face similar institutional environments? Do they delegate decision-making power in similar ways at each stage of project implementation?

Additional research can also be conducted with the field work data already collected for this project. A few of these studies could include:

- Key challenges to engaging beneficiaries in decision-making activities on USAID projects. This project will look closely at the key constraints to participation from the contract and the institutional environment, and will also add in challenges posed from the local contextual environment as well. These results focus on both beneficiary and contractor respondents and include a focus on the strategies used by contractors and beneficiaries to overcome these challenges to date, as well as recommendations from beneficiaries.
- The role of subcontracts and subgrants in aid implementation, including how they are currently used as vehicles for beneficiary participation. This project will dive more deeply into who is involved, what types of development tools are used, limitations and challenges of the approach, strategies used to overcome challenges, and recommendations from beneficiaries and literature.
- Testing Fung's theory of Empowered Participation and Accountable Autonomy on the case of beneficiary participation in foreign aid. This project will explore the degree to which contracts serve as Fung's 'centralized structure,' the limitations of the theory for explaining the case, and the implications for foreign aid design and management. A look at the difference between incentives for participatory processes vs participatory structures will also be covered.

This dissertation project explains the 'what,' 'how,' and 'why' of beneficiary participation in foreign aid activity selection and design. From these findings, we can draw insights into how to better carry out participatory approaches to development within existing

foreign aid delivery structures. In particular three key recommendations emerge for foreign aid donors and contract writers: 1. Be intentional in the design of participatory approaches at the contract-level, 2. Be explicit about who is being given decision-making power and why, and 3. Explore how the contract and aid delivery system may influence implemented delegation and beneficiary influence at the outset.

Chapters 2 and 3 demonstrate that contracts do delegate decision-making power over project activity selection and design to beneficiaries in various ways, though never at the level of full beneficiary delegation. Chapter 4 shows that these contract specifications do indeed influence beneficiary engagement in decision-making during project implementation, and often serve as a floor for this engagement. Further, the participation tools used to engage beneficiaries in implemented delegation tend to follow patterns based on who the beneficiary is and the degree of power they have at the local level. When anecdotally discussing these findings with USAID field staff, they expressed surprise over these patterns. This indicates to me that an intentionality in beneficiary participation may be useful in designing contracts.

If participation goals are defined in advance of writing the contract, and then incorporated into the scope of work at the outset, these goals will be more likely to be accomplished. The following questions could be asked to help identify these goals: 1. Do we want to ensure that beneficiaries are involved in how the scope of work is turned into activities?, 2. Which beneficiaries should have a say over which elements of the scope of work?, 3. Why these beneficiaries?, 4. Is how the preferences are collected important to how the project is specified, or to the aid agency's overall goals?, 5. Are specifications in the scope of work sufficient, or do we want to include contract targets or reporting requirements for our participation goals? These

questions will allow contract writers to focus on how beneficiary participation can facilitate achievement of project goals and participation goals.

Second, contract writers may want to explicitly consider who is being given decision-making power in each instance of allocated delegation. Chapters 2, 3, and 4 show that beneficiary decision-makers typically fall into two categories: government actors and non-government actors, with more power typically given to government actors. Chapter 4 further demonstrated that institutionalized non-government actors typically receive more decision-making power than non-institutionalized non-government actors. Allocating decision-making power to these actors results in the preferences of power-holders being incorporated more often into project activities, which likely reinforces pre-existing power structures. In some cases, engaging more institutionalized and powerful decision-makers is appropriate, especially when promoting host-country ownership. However, close consideration during contract design should be given to whether the selected beneficiary decision-makers hold (or will likely express) the perspectives and preferences being sought in order to inform activity selection and design.

Finally, all four chapters demonstrated how the contract and the aid delivery system influence implemented delegation and beneficiary influence. Chapter 4 explained the trends in the limitations on beneficiary decision-making and influence, which allows contract writers to anticipate them at the outset. Contract writers can explore the ways that these limitations will likely influence the intended participation and project goals.

After understanding the limitations, the contract writer can either expressly note the likelihood of these limitations and how they may limit the project or participation goals, or he/she can include mitigation approaches into the contract to secure the participation goals. For example, the writer may designate additional time or resources for implementing participation

tools or highlight certain beneficiary groups as critical contributors. They may build in flexible, unspecified funds, to respond to beneficiary preferences that contribute to overall programmatic goals but fall outside the specific scope of work, or create protected space for less institutionalized actors to engage in activity decision-making. These steps may increase the likelihood of implemented delegation and beneficiary influence.

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## **APPENDIX A: CODE BOOK**

### **USAID RFP/RFA/APS Coding Activity**

#### ONE

Determine whether the project should be included in the dataset.

1. All projects should be included unless:
  - a. It is a project contract extension (this should be noted on the tracking document for the original contract)
  - b. It is a modification to the project contract (the modification content should be noted on the tracking document for the original contract if it changes any of the variables we collect)
  - c. It is a contract for a non-development project service:
    - i. Ex: Security Services
    - ii. Ex: Communications Service Company like ‘Conference Call’
    - iii. Ex: M&E collection or Project Evaluation only
    - iv. Staff or short-term professional services for the mission
    - v. Anything for which the ‘beneficiary’ is the US government or mission, and not a local development beneficiary group

#### TWO:

For each project to be coded, collect the following information in the coding sheet excel file.

Each project should only have information inputted into one column.

(Note that those items which require 2 coders are bolded. The others require that only the primary code collect this information.)

**1. Project Name**

- a. Full name followed by acronym in parenthesis**

**2. Project Contract Number**

- a. Contract Number, numbers only, remove dashes or other punctuation**
- b. If unavailable, but a solicitation number is available, list as: S-“sol number”, with punctuation from SOL number removed**
- c. If unavailable, record “NA”**

**3. Beneficiary Decision-Making Scope: *Measures the discretion the donor ‘allows’ for beneficiaries within the confines of the project contract.***

- a. Narrative description – what do beneficiaries have decision-making power over?**
- b. What percent of activities are subject to beneficiary decision?**
- c. For areas that have beneficiary decision making, what can beneficiaries make decisions about? (select all that apply)**

**1. Specific activities within a pre-determined type of activity**

- a. ‘How it’s being done’ - the specific activities to pursue (Ex: provide seed grants to people trying to start small businesses and provide workshops to help them develop business plans in city X)**

**2. Type of activity pursued**

- a. ‘What is being done’ - the types of activities that are being funded (Ex: support the expansion and success of small**

*businesses in city X; support strengthening and expansion of the private sector in city X)*

**3. Sector of activity**

- a. *The technical sector as per USAID's sector breakdown (Ex: economic growth)*

**4. Development goal(s)**

- a. *The general goal being pursued. Often, goals can be pursued via multiple sectors. For example, improving food security of a rural region could be an agricultural development project, a health project, a crisis and recovery project, or an economic growth project. (Ex: improve livelihoods of people living in city X)*

**4. Opportunity for input during proposal development: *Measures the extent to which the donor either requests or limits 3<sup>rd</sup> party implementers requesting input from potential beneficiaries during proposal development***

- a. **Explicitly mentioned in RFP? (Y=1/N=0)**
- b. **Narrative Description: If mentioned, description of beneficiary involvement**
- c. **Type: Select one of the following: None, Low, Med, High, N/A**

**5. Country: *Name of country of implementation***

**6. Region: *Region of country of implementation. USAID's breaks regions down into: Afghanistan and Pakistan, Africa, Asia, Europe and Eurasia, Latin America and the Caribbean, Middle East.***

<b>Afghanistan &amp; Pakistan</b>	<b>Africa</b>	<b>Asia</b>	<b>Europe and Eurasia</b>	<b>Latin America &amp; Caribbean</b>	<b>Middle East</b>
Afghanistan	Angola	Bangladesh	Albania	Bolivia	Egypt
Pakistan	Benin	Burma	Armenia	Brazil	Iraq
	Botswana	Cambodia	Azerbaijan	Colombia	Jordan
	Burkina Faso	China	Belarus	Cuba	Lebanon
	Burundi	India	Bosnia and	Dominican	Libya
	Cameroon	Indonesia	Herzegovina	Republic	Morocco
	Chad	Kazakhstan	Cyprus	Ecuador	Syria
	Cote d'Ivoire	Kyrgyzstan	Georgia	El Salvador	Tunisia
	DRC	Laos	Kosovo	Guatemala	West Bank
	Djibouti	Maldives	Macedonia	Haiti	& Gaza
	Ethiopia	Mongolia	Moldova	Honduras	Yemen
	Ghana	Nepal	Montenegro	Jamaica	
	Guinea	Philippines	Russia	Mexico	
	Kenya	Sri Lanka	Serbia	Nicaragua	
	Lesotho	Tajikistan	Ukraine	Panama	
	Liberia	Thailand		Paraguay	
	Madagascar	Timor-Leste		Peru	
	Malawi	Turkmenistan		Venezuela	
	Mali	Uzbekistan			
	Mauritania	Vietnam			

<b>Afghanistan &amp; Pakistan</b>	<b>Africa</b>	<b>Asia</b>	<b>Europe and Eurasia</b>	<b>Latin America &amp; Caribbean</b>	<b>Middle East</b>
	Mozambique Namibia Niger Nigeria Congo Rwanda Senegal Sierra Leone Somalia South Africa South Sudan Sudan Swaziland Tanzania Uganda Zambia Zimbabwe				

7. Type of contract

- a. List the type of contract as specified in section B.2 of the RFP.

8. Project duration

- a. Start year of contract: *Award data year*
  - b. End year of contract: *Anticipated end year for the base period*
  - c. Years of base period: *End year – start year*
  - d. Number of potential option years: *Total possible option years once base period is completed*
9. Total dollar value
- a. Base Period: Total negotiated value of the contract award (base period only) in USD
  - b. Base Period + Option Years: Above plus option years in USD
10. Formally aligned or coordinated with host country government
- a. Does the RFP reference a formal agreement in place with the host country government regarding the project? (Yes=1, No=0, Unknown=NA)
- 11. Sectors**
- a. **Check off all USAID technical sectors that apply by typing a “1”**
- 12. Primary sector**
- a. **List the primary sector that applies to the project, usually the office offering the solicitation. List the full name as included in column C of question 11.**
13. Beneficiary groups: *All intended beneficiary groups (not implementing partners or subcontractors) – who benefits from each activity done.*
- a. Describe intended beneficiary group
  - b. Write names of groups if available
14. Grants mechanism

- a. Does the contract have a grant mechanism to give grants to beneficiary groups?  
(Y=1/N=0/Unclear=NA)
  - b. Total value (USD) of grants budget (enter number with no "\$" or ",")
15. Is the contract a direct grant to a local beneficiary organization? (Y=1/N=0)
16. Implementing partner
- a. Is the project solicitation for an implementing partner (an intermediary, not the intended beneficiaries?) (Y=1/N=0)
  - b. Name of intermediary organization. If a team of implementing partners is listed, just include the Prime.
17. Development objectives: *List the formal USAID Development Objectives that the project intends to accomplish. List first the number followed by a colon and the name. List each DO in its own row.*
18. Intermediate Results: *List the formal intermediate result that the project intends to accomplish. List first the number followed by a colon and the name. List each IR in its own row.*
19. Sub-Intermediate Results: *List the formal USAID sub-Intermediate Results that the project intends to accomplish. List first the number followed by a colon and the name. List each Sub-IR in its own row.*
- 20. Targets/Indicators: *List the indicators explicitly listed in the document. List each indicator separately, and complete the following information. (Add rows as needed.)***
- a. Indicator number as listed in the document**
  - b. Name**
  - c. Subjective(=0) or Objective (=1)?**





## **APPENDIX C: DATA BOOK AND CONTRACTS DATASET**

1. Contract number
2. Project name
3. Country of Implementation
4. Country Scope: Single, Multiple Countries, Global
5. Region (using USAID's region definitions)
6. Contract Type (cost plus fixed fee, time and materials, indefinite quantity contract, firm fixed price, etc.)
7. Start Year
8. End Year
9. Total number of years
10. Total value
11. Burn rate (total value / number of years)
12. Host Country Alignment (whether a formal bilateral agreement exists under which the contract was generated)
13. Primary Sector
14. All relevant sectors
15. Contract has grants (Y/N)
16. Grant value
17. Percent of budget slotted for grants
18. Implementing partner name

19. Financial structure (top down, grant umbrella, grant fund)
20. Highest Degree of Beneficiary Decision Making per project
21. All relevant categories of beneficiary decision making
22. Number of project components
23. Number of components with decision-making delegation
24. Decision-making only through the grant umbrella fund (Y/N)
25. Recipient government is a beneficiary (Y/N)
26. Recipient government beneficiary has decision-making power (Y/N)
27. Only beneficiary decision-maker is government (Y/N)
28. Beneficiaries have input during the proposal stage (Y/N)
29. Beneficiaries have input during RFP development (Y/N)
30. The RFP is based on a national plan (Y/N)
31. The only beneficiary with pre-RFP input is the government (Y/N)
32. Beneficiaries are involved in implementation (Y/N)
33. Indicators: number of work load oriented indicators
34. Indicators: number of results oriented indicators
35. Indicators: number of objective indicators
36. Indicators: number of subjective indicators

Aggregated into dataset from other sources

37. National human development index value (country of implementation), 1 year prior to start date (UNDP)
38. National Polity IV score, 1 year prior to start date (Polity)
39. National Control of Corruption score, 1 year prior to start date (World Bank)

40. Total obligated contract value of implementing partner across all federal government contracts in the fiscal year prior to project year 1 (Gov Tribe)

## **APPENDIX D: ACCOUNTING FOR MISSING DATA FOR POLITY IV**

I made the following adjustments. Polity IV scores of ‘interruption’ (-66) were used when foreign powers occupy the country during times of war. In this dataset, most of the countries coded as such are engaged in conflict, with the U.S. as the foreign occupying power. As such, I coded these instances with a neutral score because the donor occupies political control (high trust of one’s own leadership) and likely wants to work to build up democracy and trust, yet there is no autonomous governing body in which to place this trust.

Polity IV scores of ‘interregnum periods’ (-77) were used in a “complete collapse of central political authority. This is most likely to occur during periods of internal war” (Polity IV Codebook). In these cases, I applied the lowest score in terms of ‘trust’ of and donors’ reliance on central/local governments (-10).

Finally, one country has no Polity IV score: Palestine/West Bank/Gaza. In this case, I compared alternative democracy indices’ relative scoring of Palestine/West Bank/Gaza as compared both to scoring of Israel, and of scoring to other countries included in my dataset. The Economist’s Democracy Index lists Palestine as a hybrid regime and scored it lower than Israel (who received a Flawed Democracy score). Given Israel’s Polity IV scores ranging from 4-6 for the relevant project years, and the ‘mixed’ score from the Economist, I applied a median score of 0.

## APPENDIX E: DETAILED REGRESSION TABLES

Allocated Delegation				
Dependent Variable:				
Allocated Delegation				
	Full Model		Parsimonious Model	
	Coefficient	Odds	Coefficient	Odds
Goal Ambiguity	-0.011	1.01E+00		
	p = 0.302			
Problem Complexity	6.189***	487.559***	6.019***	1.479E+238***
	p = 0.000		p = 0.000	
Relationship Strength: Ideological Consistency(Polity) (t-1)	-0.037	9.64E-01		
	p = 0.509			
Relationship Strength: Formal Host Country Alignment	-0.12	8.87E-01		
	p = 0.803			
Relationship Strength: Control of Corruption (t-1)	-0.835	4.34E-01	-0.939*	0.391*
	p = 0.196		p = 0.073	
Relationship Strength: Total Implementing Partner Obligations (t-1)	0	1.00E+00	0	1.00E+00
	p = 0.515		p = 0.858	
Local Capacity (t-1)	1.952	7.04E+00		
	p = 0.504			
Individual Behavioral Change Focus	0.698	2.01E+00	0.61	1.84E+00
	p = 0.148		p = 0.170	
<i>Region Referent: Afghanistan &amp; Pakistan</i>				
Region: Africa	-0.331	7.18E-01		
	p = 0.778			
Region: Asia	-1.323	2.66E-01		
	p = 0.315			
Region: Eastern Europe and Eurasia	-0.62	5.38E-01		
	p = 0.689			
Region: Latin America & Caribbean	-0.116	8.91E-01		
	p = 0.934			
Region: Middle East	-1.872	1.54E-01		
	p = 0.220			
Region: Multiple	-16.419	7.40E-08		
	p = 0.991			
log(Burn Rate)	0.263	1.30E+00		
	p = 0.406			
Start Year	-0.276**	0.758**	-0.290**	0.7481**
	p = 0.027		p = 0.011	
Constant	548.407**	1.479+238**	581.667**	4.119E+252**
	p = 0.029		p = 0.012	
Observations	230		232	
Log Likelihood	-64.254		-68.726	
Akaike Inf. Crit.	162.508		149.452	
Note:	*p<0.1; **p<0.05; ***p<0.01			

Allocated Delegation Type 1		
Dependent Variable:		
	Allocated Delegation Type 1	
	Full Model	Parsimonious Model
Goal Ambiguity	-0.003 -0.007 p = 0.622	
Problem Complexity	2.012*** -0.401 p = 0.00000	2.049*** -0.391 p = 0.00000
Relationship Strength: Ideological Consistency(Polity) (t-1)	-0.012 -0.035 p = 0.742	
Relationship Strength: Formal Host Country Alignment	0.404 -0.317 p = 0.204	
Relationship Strength: Control of Corruption (t-1)	0.262 -0.441 p = 0.553	
Relationship Strength: Total Implementing Partner Obligations (t-1)	0 0 p = 0.815	0 0 p = 0.728
Local Capacity (t-1)	3.578* -1.943 p = 0.066	4.192** -1.732 p = 0.016
Individual Behavioral Change Focus	-0.138 -0.309 p = 0.656	
<i>Region Referent: Afghanistan &amp; Pakistan</i>		
Region: Africa	-2.854*** -0.893 p = 0.002	-2.821*** -0.872 p = 0.002
Region: Asia	-2.805*** -0.957 p = 0.004	-2.943*** -0.929 p = 0.002
Region: Eastern Europe and Eurasia	a -3.248*** -1.105 p = 0.004	-3.446*** -1.077 p = 0.002
Region: Latin America & Caribbean	Caribbean -0.987 p = 0.011	-2.522** -0.968 p = 0.010
Region: Middle East	-3.217*** -1.082 p = 0.003	-3.207*** -1.046 p = 0.003
Region: Multiple	-15.824 -882.744 p = 0.986	-16.03 -882.744 p = 0.986
log(Burn Rate)	0.087 -0.2 p = 0.666	
Start Year	-0.137* -0.081 p = 0.092	-0.122 -0.079 p = 0.123
Constant	275.039* -163.683 p = 0.093	244.393 -158.735 p = 0.124
Observations	230	232
Log Likelihood	-132.298	-134.301
Akaike Inf. Crit.	298.597	290.602
Note: <0.1; **p<0.05; ***p<0.01		

Allocated Delegation Type 2		
Dependent Variable:		
	Allocated Delegation Type 2	
	Full Model	Parsimonious Model
Goal Ambiguity	0.015 -0.01 p = 0.116	0.015 -0.009 p = 0.118
Problem Complexity	2.777*** -0.617 p = 0.00001	2.751*** -0.605 p = 0.00001
Relationship Strength: Ideological Consistency(Polity) (t-1)	0.014 -0.044 p = 0.753	
Relationship Strength: Formal Host Country Alignment	-0.621 -0.394 p = 0.115	-0.660* -0.377 p = 0.081
Relationship Strength: Control of Corruption (t-1)	-1.020* -0.554 p = 0.066	-1.218** -0.485 p = 0.013
Relationship Strength: Total Implementing Partner Obligations (t-1)	0 0 p = 0.487	0 0 p = 0.436
Local Capacity (t-1)	-2.496 -2.406 p = 0.300	
Individual Behavioral Change Focus	0.970** -0.402 p = 0.016	0.901** -0.393 p = 0.022
<i>Region Referent: Afghanistan &amp; Pakistan</i>		
Region: Africa	17.384 -964.19 p = 0.986	17.384 -959.105 p = 0.986
Region: Asia	16.353 -964.19 p = 0.987	16.067 -959.105 p = 0.987
Region: Eastern Europe and Eurasia	17.661 -964.19 p = 0.986	17.068 -959.105 p = 0.986
Region: Latin America & Caribbean	16.818 -964.19 p = 0.987	16.6 -959.105 p = 0.987
Region: Middle East	17.303 -964.19 p = 0.986	16.865 -959.105 p = 0.986
Region: Multiple	1.165 -4,071.98 p = 1.000	0.864 -4,070.78 p = 1.000
log(Burn Rate)	0.018 -0.249 p = 0.944	
Start Year	-0.018 -0.103 p = 0.865	
Constant	14.493 -986.132 p = 0.989	-21.76 -959.105 p = 0.982
Observations	230	232
Log Likelihood	-90.672	-91.454
Akaike Inf. Crit.	215.344	208.908
Note:	*p<0.1; **p<0.05; ***p<0.01	

## APPENDIX F: FIELDWORK CODEBOOK

Organize Documents into Categories:

Project  
 Role: USAID, COP, non-cop implementing team, beneficiary, beneficiary-govt,  
 beneficiary-nongovt  
 Nationality: US, Local, Non-US International

A: Incentives and Constraints to Implementing Allocated delegation

Contract\_constr\_IMP\_CATEGORY  
 Contract\_inc\_IMP\_CATEGORY  
 Inst'l\_constr\_IMP\_CATEGORY  
 Inst'l\_inc\_IMP\_CATEGORY  
 Context\_constr\_IMP\_CATEGORY  
 Context\_inc\_IMP\_CATEGORY

Illustrative Constraint Categories:

Scope/alignment  
 Funding limitations  
 Political changes  
 No political buy-in  
 Local technical capacity  
 Local operational capacity  
 Limited time  
 Reporting requirements  
 Project Indicators  
 Changes in AID personnel  
 AID changes mind

Illustrative Incentive Categories:

Staff thinks more effective  
 Staff thinks more ethical  
 Grants requirements  
 Project Indicators  
 AID expectations  
 AID institutions  
 Get access  
 Generate buy-in

a.1) Strategies to Overcome Challenges to implementation

ImpOvStrat-CATEGORY

Strategies Categories

Grantee orientations  
 Grantee technical support  
 Grantee operational support  
 Getting Buy-in from gatekeepers  
 Creating budget  
 Getting AID buy-in  
 Fixed price → advanced payment  
 Menu instead of APS  
 Re-consult  
 Pre-information beneficiaries or expectations to align work/priorities

B: Does the COR support participatory development? - Code Evidence of Yes/No support  
 CORsupp-YES  
 CORsupp-NO

b.1) Perceptions of beneficiaries  
 USAIDpercept-DESRV  
 USAIDpercept-UNDESRV  
 IMPTEAMpercept-DESRV  
 IMPTEAMpercept-UNDESRV

b.2) Challenges and Supports facing CORs generally  
 genCORchalls  
 genCORsupp

b.3) When Participation Should NOT be used  
 dontPARTIC-CATEGORY

When Categories

Beneficiaries don't know what they want  
 Beneficiary priorities are 'wrong'/not in their self interest  
 Beneficiaries don't know how to get what they want  
 Beneficiaries change  
 It's too late to change activities  
 Beneficiaries have disagreement  
 We know the answer/the way

C: Is Allocated delegation Implemented?  
 ADimp-FULL-Activity#  
 ADimp-LESS-Activity#  
 ADimp-MORE-Activity#  
 ADimp-NONE-asperRFP-Activity#

Full	Nature of activity described matches intention in the RFP and case specific activity set sheet.	<p>Example – grants with target group, designed by them to some extent → evidence it happened. Less would be if the grants were solely prescriptive with no room for beneficiary design</p> <p>Example – co-creation of plan to address local/org/govt needs → evidence of who created the plan, how it was created jointly, of activities being implemented in accordance with the plan</p> <p>Example – Government decides priority locations and work focus areas → evidence that the project decided on/changed directions reflecting the government priorities (ex: national plan)</p> <p>Example – Subgrants for government offices and grantees → government offices given list of options to pursue under subgrant, and allowed to select.</p>
More	Activity described in RFP as not having any decision-making power has some	<p>Example - technical assistance will be given to CSOs and local government → government high level authority decides its own priorities and meets with USAID to determine areas of overlap in priority area to then the project offers projects to meet those priorities</p> <p>Example - technical assistance will be given to various government institutions → government meets with project and they jointly determine focus areas</p> <p>Example - technical assistance will be given to various government institutions → government requests specific technical assistance or equipment (in-kind grants)</p>
Less	Activity described in RFP has decision-making delegation of some kind, but the description is that the project decided, there was less flexibility/decision-making allowed in practice	<p>Example – grants are to be provided to local organizations who will propose ideas → grant applications (RFAs, APSes) are fully prescriptive with organizations applying to complete a predetermined set of activities</p> <p>Example – needs assessment to be conducted → turns out to be a diagnostic with existing data/desk research, and not based on local/beneficiary input for what their needs are or what should be done. (note – may include local level discussions to collect data, but only to ask questions about the topic, not about preferences, needs, priorities, local ideas)</p> <p>Example – co-design priority areas with government → project determines with USAID or other 3<sup>rd</sup> parties, not with government beneficiaries</p> <p>Notes: ‘None’ will be marked as ‘Less’ if the RFP initially had decision-making power</p>

None- as per RFP	if the RFP had no delegation listed, and none occurs, this will be marked	
------------------------	--	--

c.1) Does the contract influence beneficiary participation implementation?

ContractInfl-RespYes

ContractInfl-RespNo

ContractInfl-Evidence\_Highly Similar

ContractInfl-Evidence\_NotRelated

ContractInfl-Evidence\_SameScope\_updatedfornewcontext

D: Does the target group participate? – Is there evidence they participate?

TGP-Yes-Activity#

TGP-No-Activity#

TGP-DirectBenDecides-Govt

TGP-DirectBenDecides-NonGovt

TGP-highLevelLeadershipDecides

TGP-SupervisorDecides

d.1) Challenges to target group participation

TGPchall-CATEGORY

Challenges Categories

Beneficiary fatigue of donors

Access to beneficiaries limited

Low capacity → beneficiaries don't apply

Beneficiaries not interested

Application requirements too burdensome

Beneficiary says what you want to hear

Collaborate and Generate Consensus in Decision Making

d.2) Strategies to overcome challenges to target group participation

TGPovStrat-CATEGORY

Strategies Categories

Gender segregated input collection

Using gatekeepers to generate buy-in

Capacity building activities

Grant orientations

Fixed price grants

Create formal decision making institution

Flexible grant fund

Grantees select matching areas or areas of expertise only to apply for

E: Do decisions reflect true beneficiary preferences? – Code evidence

TruePref-Match  
 TruePref-Less  
 TruePref-None  
 TruePref-Project convinced us it's a preference

F: Did project activities change because of beneficiary decision-making? – code evidence of yes and no

ActivitiesChangedREBenInput-Yes  
 ActivitiesChangedREBenInput-No

f.1) How beneficiary engagement changed the activity

InflBy-Category

How Categories

Ideas used in the grant  
 Ideas influenced a particular activity  
 Beneficiaries vetted ideas  
 Change/add site  
 Generated activities

f.2) What beneficiaries would have liked to do but couldn't

PrefNotIncl-CATEGORY

Not included Categories

They wanted to do additional activities that were cut  
 They wanted to do different activities  
 They wanted to do fewer activities

f.3) Why was beneficiary input not used?

NotImp-Category

Why Not Categories: WhyNotIMP\_category

Not aligned  
 Ideas not useful/relevant  
 Politics  
 Limited funding  
 Project Staff doesn't think it's needed

f.4) Were beneficiary ideas changed to be incorporated in the project?

BenIdeaChange-Yes  
 BenIdeaChange-No

f.5) How were beneficiary ideas changed to be incorporated in the project?

BenIdeaChange-CATEGORY

#### How Categories

- To better align
- To improve the technical approach
- To improve the application quality
- To improve budget approach
- To address low organizational capacity
- To expand the technical scope
- To limit the technical scope
- To shrink the budget

f.5) What were key challenges beneficiaries faced in working on an AID project?

BenChalls-CATEGORY

#### Challenges Categories

- Insufficient funding for required work
- Reporting requirements too rigorous
- Timeframe too short/fast
- Insufficient support from project
- AID slow to reply/approve
- Fixed price makes it hard to pay costs

#### Additional Codes:

- Comments on how expert and local input is balanced
  - o BalanceExpert&Beneficiary

## APPENDIX G: FIELDWORK INTERVIEW QUESTIONS GUIDE

### Interview Questions Templates for semi-structured interviews

#### Interviews with Contractors

Let's talk about the XXX Project. In order for us to talk about beneficiary decision-making generally, it would be useful first to talk about the ways in which beneficiary decision-making occurred on the project.

I conceptualize of beneficiary decision-making as ranging from the opportunity to provide input, consultation with beneficiaries, and needs assessments or determination of priority or focus areas, to beneficiary submissions of grant applications to implement activities they determine important, to beneficiaries requesting specific technical assistance.

Let's talk about the *XXX Project. Review of Allocated Delegation in the contract.*

1. **Could you talk me through the engagement of these beneficiary groups in decision-making about project activities?**
  - a. Could you describe the decision-making activities that occurred?
    - i. What was the role of the beneficiary in the decision-making activity?
    - ii. How did the project's engagement in the process influence the outcomes?
    - iii. What challenges were faced during the process?
    - iv. I know that often collaborating with grantees during their proposal development process allows grantees inexperienced with USAID processes to complete successful applications. Were there any such support activities that the project provided to beneficiaries to help them provide input or activity decision-making?
      - i. How did the project's engagement in the process influence the outcomes?
      - ii. What challenges were faced during the process?
  - b. When beneficiary decision-making did not occur, how were decisions made instead?
    - i. Why were these decisions made?
2. **For each of these areas where decision-making occurred, how were beneficiary decisions and input communicated with the team?**
  - a. Who received information?
  - b. Who had the final say in how to incorporate these decisions?
  - c. What sort of changes, if any, occurred to project and/or strategy as a result?
3. In my experience, implementing beneficiary decision-making and/or participation faces a number of challenges, ranging from time constraints to contract requirements and

performance targets, to pressure to accomplish specific political goals, to limited local capacity. The way I conceptualize of beneficiary decision-making ranges from opportunity to provide input, consultation with beneficiaries, and needs assessments or determination of priority or focus areas, to beneficiary submissions of grant applications to implement activities they determine important. **On this project, have you faced challenges to implementing intended beneficiary decision-making?**

- a. Please explain the challenges.
  - b. Typical categories of challenges to follow up with:
    - i. USAID requirements and structures
      1. Who are you accountable to/report to and how does that influence the constraints you face?
      2. COR and CO priorities and expectations?
      3. In your experience in this project, do project and USAID priorities sometimes conflict? If so, what are the areas of conflict? How do you balance expectations?
    - ii. Contract specifications
    - iii. Local capacity
      1. What sort of skills and/or knowledge are useful for beneficiaries to engage with this project and provide input?
      2. To what extent to beneficiaries have these skills and/or knowledge?
    - iv. Local context and/or host country
  - c. Make sure to follow up on all activity sets listed.**
  - d. How did the constraints change what was actually implemented?
- 4. Are there ways that you, in your role as an implementing partner, can overcome these challenges?**
- a. Could you walk me through steps you have taken on this project to do so?
  - b. What constraints do you face in doing so?
- 5. Are there ways that the COR can or did act to preserve beneficiary decision-making the face of these challenges?**
- a. How does he/she act on this support? To what extent? With what effect?
- 6. In my experience, implementing beneficiary decision-making and/or participation faces a number of incentives that could encourage beneficiary decision-making, ranging from performance targets for participatory activities such as participatory meetings or grant applications submitted, to a requirement for beneficiary-designed grant activities, to contract-required consultation, to reporting requirements on initiatives such as USAID Forward. On this project, have you faced incentives to accomplish beneficiary decision-making?**
- a. Please explain the incentives?
    1. Categories: contract incentives (reporting requirements, performance targets, grant requirements), structural incentives (USAID Forward, USAID official suggestion (which level?), local

- government suggestion, etc.), beneficiary incentives (requests to provide input, high local capacity, ‘good ideas’ shared)
- b. What sort of incentives would have been helpful that you didn’t experience?
7. Under some circumstances, relying less on beneficiary decision-making and input is appropriate. **Could you name circumstances when engaging with beneficiary input is more and less appropriate and/or useful in accomplishing project goals?**
    - a. For which components is beneficiary decision-making most important? Least important?
  8. **How does the initial contract determine expectations for implementation of beneficiary decision-making on project activities?**
    - a. When might decision-making be ‘added in’ where not in the contract?
    - b. Under what circumstances would it be ‘toned down’ or removed?

### **Interviews with USAID Staff**

First, I’d like to start with a few background questions:

1. **How long have you worked with USAID?**
2. **Have you participated in USAID-funded projects in roles other than as a COR? Which roles?**

Let’s talk about the *XXX Project*. In order for us to talk about beneficiary decision-making generally, it would be useful first to talk about the ways in which beneficiary decision-making occurred on the project.

I conceptualize of beneficiary decision-making as ranging from the opportunity to provide input, consultation with beneficiaries, and needs assessments or determination of priority or focus areas, to beneficiary submissions of grant applications to implement activities they determine important, to beneficiaries requesting specific technical assistance.

I read through what I had access to – the RFP, DEC documents, project websites, etc. – to get a sense of beneficiary decision-making on the project that it would be useful to explore. Let’s talk about the *XXX Project*. Review of Allocated Delegation in the contract.

3. **What were the most important ways in which beneficiary input was integrated into project planning and activities?**
  - a. **Could you provide me with examples of how the input influenced planning and activities?**
  - b. Follow up on uncovered areas.

4. In my experience, implementing beneficiary decision-making and/or participation faces a number of challenges, ranging from time constraints to contract requirements and performance targets, to pressure to accomplish specific political goals, to limited local capacity. The way I conceptualize of beneficiary decision-making ranges from opportunity to provide input, consultation with beneficiaries, and needs assessments or determination of priority or focus areas, to beneficiary submissions of grant applications to implement activities they determine important. **On this project, have you faced challenges to implementing intended beneficiary decision-making?**
- a. Please explain the challenges.
  - b. Typical categories of challenges to follow up with:
    - i. USAID requirements and structures
      1. Who are you accountable to/report to and how does that influence the constraints you face?
      2. Do project and USAID priorities conflict? If so, how do you balance expectations?
      3. **Does local input and USAID priorities conflict? If so, how do you balance expectations?**
    - ii. Contract specifications
    - iii. Local capacity
      1. What sort of skills and/or knowledge are useful for beneficiaries to engage with this project and provide input?
      2. To what extent to beneficiaries have these skills and/or knowledge?
    - iv. Local context and/or host country
  - c. **Make sure to follow up on all activity components listed.**
  - d. How did the constraints change what was actually implemented?
5. **Are there ways that you, in your role, worked with implementing partners overcome these challenges?**
- a. Could you walk me through steps you have taken on this project to do so?
  - b. What constraints did you face in doing so?
6. In my experience, implementing beneficiary decision-making and/or participation faces a number of incentives that could encourage beneficiary decision-making, ranging from performance targets for participatory activities such as participatory meetings or grant applications submitted, to a requirement for beneficiary-designed grant activities, to contract-required consultation, to reporting requirements on initiatives such as USAID Forward. **On this project, were there any of these or other incentives to encourage beneficiary decision-making?**
- a. Please explain the incentives?
    - i. Categories: contract incentives (reporting requirements, performance targets, grant requirements), structural incentives (USAID Forward, USAID official suggestion (which level?), local government suggestion, etc.), beneficiary incentives (requests to provide input, high local capacity, 'good ideas' shared)
  - b. What sort of incentives would have been helpful that you didn't experience?

7. Under some circumstances, relying less on beneficiary decision-making and input is appropriate. **Could you name circumstances on this project when engaging with beneficiary input was more and less appropriate and/or useful in accomplishing project goals?**
  - a. For which components is beneficiary decision-making most important? Least important?
8. **How does the initial contract determine expectations for implementation of beneficiary decision-making on project activities?**
  - a. When might decision-making be ‘added in’ where not in the contract?
  - b. Under what circumstances would it be ‘toned down’ or removed?

### **Interviews with Target Beneficiaries**

I’m interested in exploring your role within *XXX Project*. In particular, I’m interested in the ways you interacted with the implementation team and provided input in various ways. For example -- the opportunity to provide input, consultation on activities, and needs assessments or determination of priority or focus areas, submissions of grant applications to implement activities you determine important, etc.

1. **Could you describe all of the activities you worked with USAID / implementing partner on?**
2. **Were you asked for your input or thoughts on these activities? (ask about each activity mentioned)**
  - a. Could you describe the input or thoughts you were asked for?
    - i. Types of input: consultation on activities, activity priority area and design, needs assessment, grant applications, etc.
3. **How was your input solicited?**
  - a. Could you walk me through how the contractor solicited your input?
  - b. Were there any formal structures used to collect your input? EX: community meetings/ forums, grant applications, guidelines, etc.
4. In my experience, there are often expectations, limits or requirements surrounding the input that can be given. For example (tailor to input type), priority areas to focus on or areas to steer clear of, specific activities that can be proposed for a grant, or specific questions asked in a needs assessment, etc. **What sorts of expectations and/or requirements were provided regarding the input you could provide?**
5. **Did the contract solicit your input for any activities other than the ones we just discussed? \***
  - i. In what ways? Which activities? \* What type of input? \*
6. **What recommendations/input did you provide as a response to the input?**
7. **How were these decisions/recommendations made?**

- a. Who was involved in making these decisions?
  - b. What was the role of the contractor in making these decisions?
    - i. What were the contractor's preferences or goals for your decision-making and/or input process?
  - c. Was there any input you did not share? Why or why not?
  - d. Did you feel compelled to express a particular preference? Why?
  - e. How did group input get channeled into 'final' community decisions?
  - f. What was left out from the discussion?
  - g. Did you feel that your true preferences were a part of the final decisions on input?
  - h. Did your input, perspective or decisions change throughout the decision-making or formalization process from when you began? Why?
- 8. Did the input and/or application process change how you provided input or expressed preferences?**
- a. Were there ways that contractor/ facilitators limited types of community input?
- 9. Did your input influence the activities carried out by the project?\***
- a. Can you name some ways your input helped to influence or change the project activities?
  - b. To what extent do you feel your input was valued?\*
  - c. To what extent do you feel your input changed project activities?\*
  - d. What could the contractor have done better in incorporating your input?\*

## APPENDIX H: PROCESS TRACING RESULTS BY PROJECT

Project 1				
		Expected Type 1 (000) No AD, No ID, No BI (5 activity sets) 56% of activity sets	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (0 activity sets) 0% of activity sets	Unexpected Type 1 (01) No AD, Yes ID (4 activity sets) 44% of activity sets
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>				
	Is there AD?	H2A	No	No
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)
	Does COR support ID?	H2C	Yes	Yes
	Is there ID?	H2A	No	Yes
<b>H2A Conclusion:</b>		Mostly Supported, except for incentives and COR		Not Supported
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>				
	Is there ID?	H3A	No	Yes
	Is there BI?	H3A	No	Yes
<b>H3A Conclusion</b>		Supported		Supported
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>				
	Is there AD?	H3B	No	No
	Is there ID?	H3B	No	Yes
	Is there BI?	H3B	No	Yes
<b>H3B Conclusion</b>		Supported		Not Supported

Project 2						
		Expected Type 1 (000) No AD, No ID, No BI (5 activity sets) 36% of activity sets	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (6 activity sets) 43% of activity sets	Unexpected (3 activity sets) 21% of activity sets	Unexpected Type 1 (011) No AD, Yes ID, Yes BI (1 activity set) 7% of activity sets	Unexpected Type 2 (100) Yes AD, No ID, No BI (2 activity sets) 14% of activity sets
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>						
	Is there AD?	H2A	No	Yes	No	Yes
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 3)	Mixed: more constraints than incentives (more by 3)	Mixed: more constraints than incentives (more by 3)	Mixed: more constraints than incentives (more by 3)
	Does COR support ID?	H2C	Mostly (more yes than no)	Mostly (more yes than no)	Mostly (more yes than no)	Mostly (more yes than no)
	Is there ID?	H2A	No	Yes	Yes and No	No
<b>H2A Conclusion:</b>		Mostly Supported, except for COR and Incentives		Mostly Supported, except for Incentives	Not Supported	Not Supported
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>						
	Is there ID?	H3A	No	Yes	Yes and No	Yes
	Is there BI?	H3A	No	Yes	Yes and No	No
<b>H3A Conclusion</b>		Supported		Supported	Supported	Supported
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>						
	Is there AD?	H3B	No	Yes	Yes and No	No
	Is there ID?	H3B	No	Yes	Yes and No	Yes
	Is there BI?	H3B	No	Yes	Yes and No	No
<b>H3B Conclusion</b>		Supported		Supported	Not Supported	Not Supported

Project 3						
		Expected Type 1 (000) No AD, No ID, No BI (1 activity set)	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (3 activity sets)	Unexpected (2 pathways)	Unexpected Type 1 (011) No AD, Yes ID, Yes BI (1 activity set)	Unexpected Type 2 (100) Yes AD, No ID, No BI (1 activity set)
		17% of activity sets	50% of activity sets	34% of activity sets	17% of activity sets	17% of activity sets
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>						
Is there AD?	H2A	No	Yes	Yes and No	No	Yes
Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)
Does COR support ID?	H2C	No	No	Not Supported	No	No
Is there ID?	H2A	No	Yes	Yes and No	Yes	No
<b>H2A Conclusion:</b>		Mostly Supported, except for Incentives	Mostly Supported, except for Incentives and COR	Not Supported	Not Supported	Not Supported
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>						
Is there ID?	H3A	No	Yes	Yes and No	Yes	No
Is there BI	H3A	No	Yes	Yes and No	Yes	No
<b>H3A Conclusion</b>		Supported	Supported	Supported	Supported	Supported
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>						
Is there AD?	H3B	No	Yes	Yes and No	No	Yes
Is there ID?	H3B	No	Yes	Yes and No	Yes	No
Is there BI?	H3B	No	Yes	Yes and No	Yes	No
<b>H3B Conclusion</b>		Supported	Supported	Not Supported	Not Supported	Not Supported

Project 4						
		Expected Type 1 (000) No AD, No ID, No BI (2 activity sets)	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (0 activity sets)	Unexpected Type 1 (011) No AD, Yes ID, Yes BI (9 activity sets)		
		18% of activity sets	0% of activity sets	82% of activity sets		
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>						
Is there AD?	H2A	No		No		
Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 7)		Mixed: more constraints than incentives (more by 7)		
Does COR support ID?	H2C	Yes		Yes		
Is there ID?	H2A	No		Yes		
<b>H2A Conclusion:</b>		Mostly Supported except for COR and Incentives		Not Supported		
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented</b>						
Is there ID?	H3A	No		Yes		
Is there BI	H3A	No		Yes		
<b>H3A Conclusion</b>		Supported		Supported		
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influe</b>						
Is there AD?	H3B	No		No		
Is there ID?	H3B	No		Yes		
Is there BI?	H3B	No		Yes		
<b>H3B Conclusion</b>		Supported		Not Supported		

Project 5							
		Expected Type 1 (000) No AD, No ID, No BI (12 activity sets)	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (0 activity sets)	Unexpected (6 activity sets)	Unexpected Type 1 (011) No AD, Yes ID, Yes BI (1 activity set)	Unexpected Type 2 (100) Yes AD, No ID, No BI (1 activity set)	
		63% of activity sets	0% of activity sets	37% of activity sets	32% of activity sets	5% of activity sets	
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>							
	Is there AD?	H2A	No		Yes and No	No	Yes
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 4)		Mixed: more constraints than incentives (more by 4)	Mixed: more constraints than incentives (more by 4)	Mixed: more constraints than incentives (more by 4)
	Does COR support ID?	H2C	Mixed		Mixed	Mixed	Mixed
	Is there ID?	H2A	No		Yes and No	Yes	No
<b>H2A Conclusion:</b>			Mostly Supported, except for COR and incentives		Not Supported	Not Supported	Not Supported
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>							
	Is there ID?	H3A	No		Yes and No	Yes	No
	Is there BI?	H3A	No		Yes and No	Yes	No
<b>H3A Conclusion</b>			Supported		Supported	Supported	Supported
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>							
	Is there AD?	H3B	No		Yes and No	No	Yes
	Is there ID?	H3B	No		Yes and No	Yes	No
	Do target decisions change activities?	H3B	No		Yes and No	Yes	No
<b>H3B Conclusion</b>			Supported		Not Supported	Not Supported	Not Supported

Project 6					
		Expected Type 1 (000) No AD, No ID, No BI (4 activity sets)	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (1 activity sets)	Unexpected Type 1 (011) No AD, Yes ID, Yes BI (6 activity sets)	
		36% of activity sets	9% of activity sets	55% of activity sets	
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>					
	Is there AD?	H2A	No	Yes	No
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 5)	Mixed: more constraints than incentives (more by 5)	Mixed: more constraints than incentives (more by 5)
	Does COR support ID?	H2C	Yes	Yes	Yes
	Is there ID?	H2A	No	Yes	Yes
<b>H2A Conclusion:</b>		Mostly Supported, except for Incentives and COR	Mostly Supported, except for Incentives	Not Supported	
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>					
	Is there ID?	H3A	No	Yes	Yes
	Is there BI?	H3A	Supported	Supported	Supported
<b>H3A Conclusion</b>		Supported	Supported	Supported	
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>					
	Is there AD?	H3B	No	Yes	No
	Is there ID?	H3B	No	Yes	Yes
	Is there BI?	H3B	No	Yes	Yes
<b>H3B Conclusion</b>		Supported	Supported	Not Supported	

Project 7							
			Expected Type 1 (000) No AD, No ID, No BI (1 activity set)	Expected Type 2 (111) Yes AD, Yes ID, Yes BI (5 activity sets)	Unexpected (6 activity sets)	Unexpected Type 1 (011) No AD, Yes ID, Yes BI (3 activity sets)	Unexpected Type 2 (100) Yes AD, No ID, No BI (3 activity sets)
			8% of activity sets	42% of activity sets	50% of activity sets	35% of activity sets	25% of activity sets
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>							
	Is there AD?	H2A	No	Yes	Yes and No	No	Yes
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)	Mixed: more constraints than incentives (more by 6)
	Does COR support ID?	H2C	Yes	Yes	Yes	Yes	Yes
	Is there ID?	H2A	No	Yes	Yes and No	Yes	No
<b>H2A Conclusion:</b>			Mostly Supported, except for COR and Incentives	Mostly Supported, except for Incentives	Not Supported	Not Supported	Not Supported
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>							
	Is there ID?	H3A	No	Yes	Yes and No	Yes	No
	Is there BI?	H3A	No	Yes	Yes and No	Yes	No
<b>H3A Conclusion</b>			Supported	Supported	Supported	Supported	Supported
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>							
	Is there AD?	H3B	No	Yes	Yes and No	No	Yes
	Is there ID?	H3B	No	Yes	Yes and No	Yes	No
	Is there BI?	H3B	No	Yes	Yes and No	Yes	No
<b>H3B Conclusion</b>			Supported	Supported	Not Supported	Not Supported	Not Supported

Project 8							
			Expected Type 1 (00) No AD, No ID (2 activity sets)	Expected Type 2 (11) Yes AD, Yes ID (3 activity sets)	Unexpected (6 activity sets)	Unexpected Type 1 (01) No AD, Yes ID (5 activity sets)	Unexpected Type 2 (10) Yes AD, No ID (1 activity sets)
			18% of activity sets	27% of activity sets	55% of activity sets	45% of activity sets	9% of activity sets
<b>H2A: The presence of Implemented Delegation (ID) is more likely when preceded by Allocated Delegation (AD)</b>							
	Is there AD?	H2A	No	Yes	Yes and No	No	Yes
	Do contract and institutional incentives support ID?	H2B	Mixed: more constraints than incentives (more by 2)	Mixed: more constraints than incentives (more by 2)	Mixed: more constraints than incentives (more by 2)	Mixed: more constraints than incentives (more by 2)	Mixed: more constraints than incentives (more by 2)
	Does COR support ID?	H2C	No Data	No Data	No Data	No Data	No Data
	Is there ID?	H2A	No	Yes	Yes and No	Yes	No
<b>H2A Conclusion:</b>			Mostly Supported, except for Incentives	Mostly Supported, except for Incentives	Not Supported	Not Supported	Not Supported
<b>H3A: Beneficiary Influence (BI) over project activity selection and design is more likely when preceded by Implemented Delegation (ID)</b>							
	Is there ID?	H3A	No	Yes	Yes and No	Yes	No
	Is there BI?	H3A	No	Yes	Yes and No	Yes	No
<b>H3A Conclusion</b>			Supported	Supported	Supported	Supported	Supported
<b>H3B: Allocated Delegation leads to Beneficiary Influence (BI) over project activity selection and design through its influence on Implemented Delegation (ID)</b>							
	Is there AD?	H3B	No	Yes	Yes and No	No	Yes
	Is there ID?	H3B	No	Yes	Yes and No	Yes	No
	Is there BI?	H3B	No	Yes	Yes and No	Yes	No
<b>H3B Conclusion</b>			Supported	Supported	Not Supported	Not Supported	Not Supported

## VITA

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UNIVERSITY OF WASHINGTON

August 2020

**Ph.D. in Public Policy and Management, Evans School of Public Policy and Governance**Fields: International Development, Participatory Development, Foreign Aid Management,  
Policy Implementation, Policy Analysis, Contracting, Mixed MethodsDissertation Title: Delivering Participatory Development through Foreign Aid ContractsDissertation Committee: Mary Kay Gugerty (Chair), Craig Thomas, Benjamin Brunjes  
Victor Menaldo (GSR)**Master of Science, Public Policy and Management**

2015

INSTITUTE FOR QUALITATIVE AND MIXED METHODS RESEARCH,

2015 MAXWELL SCHOOL, SYRACUSE UNIVERSITY

**Certificate in Qualitative and Mixed Methods Research**

MIDDLEBURY INSTITUTE OF INTERNATIONAL STUDIES AT MONTEREY

*(formerly the Monterey Institute of International Studies)***Master of Arts, International Policy Studies**

2010

**Certificate, Development Project Management Institute**

2009

MIDDLEBURY COLLEGE

2008

**Bachelor of Arts, International Studies.** *Cum laude, with High Honors on Senior Thesis*

LANGUAGE SKILLS

English, native language

Spanish, near fluency

**TEACHING AND AWARDS**

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Awards:

Excellence in Teaching Award, Evans Student Organization, Evans School of Public Policy and Governance, University of Washington, 2016-17 Academic Year

Adjunct Faculty, Institute of Public Service, Seattle University

PUBM5410 – Policy Analysis (MPA) (2 Quarters – 2018, 2019)

PUBM – Elective Course: Engaging the Public in Policy (MPA) (2020)

Teaching Assistantships, Evans School of Public Policy and Governance, University of Washington

PubPol511 – Managing Politics and Policy Process (MPA) (2015, 2016)

PubPol512 – Managing Organizational Performance (MPA) (2016)

PubPol513 – Policy Analysis (MPA) (2016, 2017)

PubPol201 – Introduction to Public Policy and Governance (Undergraduate) (2017)

Guest Lecturer:

*Guest Lecturer*, ‘How Adults Learn’, and ‘Backward Course Design’, Winter Quarter 2018, Evans PhD Pro-Seminar, University of Washington

*Guest Lecturer*, ‘Ethics, Values, and Power Dynamics in International Development Work’, Winter Quarter 2018, PubPol595: Environmental Governance in the Developing World, University of Washington

*Guest Lecturer*, ‘Administrative Power and Organization Theory’, Fall Quarter 2017, PUBM 5010: Foundations of Public Administration, Seattle University

*Guest Lecturer*, ‘People in Public Organizations’, Fall Quarter 2017, PUBM 5110: Understanding Organizations, Seattle University

*Guest Lecturer*, ‘Policy Implementation’, Fall Quarter 2016, PubPol511: Managing Politics and the Policy Process, University of Washington

*Guest Lecturer*, ‘Outsourcing Government Work’, Winter Quarter 2016, PubPol512: Managing Organizational Performance, University of Washington

Committee Participation:

*Ph.D. Student Representative*, Evans School Ph.D. Committee, University of Washington (2017-2018)

**SELECT PRESENTATIONS AND AWARDS**

**Association for Public Policy and Management Annual Conference (APPAM)** (Nov 2020)  
Harris, Amy Beck. “The Influence of Foreign Aid Implementation Structure on the Achievement of Donor Goals for Beneficiary Participation”, APPAM 2020 Annual

Conference, Panel: Political and Policy Making Processes Across the World, Virtual Conference. (*Upcoming Conference*)

**International Studies Association Annual Conference (ISA)** March 2019  
Harris, Amy Beck. “Delegation of Decision-Making Power to Beneficiaries in U.S. Bilateral Foreign Aid”, ISA 2019 Annual Conference, Panel: Measuring and Assessing Foreign Aid, Toronto.

**American Society for Public Administration Annual Conference (ASPA)** March 2018  
Harris, Amy Beck & Benjamin Brunjes. “Reducing Risk or Developing Capacity? An Analysis of Federal International Contracting”, ASPA 2018 Annual Conference, Panel: Procurement and Contract Management, Denver.

**Association for Public Policy and Management Annual Conference (APPAM)** Nov 2017  
Harris, Amy Beck. “Delegation of Decision-Making Power to Foreign Aid Beneficiaries: Measuring Donor Intention for Foreign Aid Contracts”, APPAM 2017 Annual Conference, Panel: Public Sector Decision Making: Examining Participatory Processes, Chicago.

**American Society for Public Administration Young Scholars Workshop (ASPA)** June 2017  
Harris, Amy Beck. “Allocated Delegation of Decision-Making Power to Foreign Aid Beneficiaries within US Bilateral Foreign Aid (USAID)”, ASPA Young Scholars Workshop, Chennai, India.

**Excellence in Teaching Award**, Evans School, University of Washington 2016-2017  
Voted by Evans School MPA students for the 2016-2017 academic year

**Rohatyn Center for International Affairs Senior Thesis Prize**, Middlebury College 2008  
Awarded for the best senior thesis presented each year in the area of international studies.

## **RESEARCH PROJECTS, PAPERS AND PROFESSIONAL AFFILIATIONS**

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**Harris, Amy Beck.** (2020). Public Participation in Procurement. *Global Encyclopedia of Public Administration, Public Policy, and Governance*. 10.1007/978-3-319-31816-5, (1-6).

### Working Papers:

**Harris, Amy Beck & Benjamin Brunjes.** (2018). Reducing Risk or Developing Capacity? An Analysis of Federal International Contracting. (*R&R under review at International Public Management Journal*)

### Research in Progress:

**Harris, Amy Beck.** Foreign Aid Contracts: Delegation of Decision-Making Power to Beneficiaries.

**Harris, Amy Beck.** Participatory Development within Foreign Aid Delivery: A New Theory

**Harris, Amy Beck.** Donor-Intended Beneficiary Decision-Making on Foreign Aid Activities: Factors that Constrain and Facilitate Implementation, A Field Study

Professional Affiliations:

Association for Public Policy Analysis and Management (APPAM)

American Society for Public Administration (ASPA)

International Studies Association (ISA)

## SELECTED PROFESSIONAL EXPERIENCE

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**Post-Doctoral Fellow** (*upcoming*)

Fall

2020-Present

Gerald R. Ford School of Public Policy

**Adjunct Faculty**

2018-2019

*Policy Analysis Instructor*, Institute of Public Service, Seattle University

**Research Assistant**

2017-2018

*International Contracting Research*

*PI: Benjamin Brunjes*

Evans School of Public Policy and Governance, University of Washington

**Research Supervisor, and Team Leader**

2017

*Foreign Aid Dataset Project*

Evans School of Public Policy and Governance, University of Washington

**Teaching Assistant**

2015-2018

Evans School of Public Policy and Governance, University of Washington

**Research Assistant**

2013-2018

*Understanding the Origin, Characteristics, and Implications*

*of Mass Political Movements*

*PI: Stephen Kosack*

Evans School of Public Policy and Governance, University of Washington

**Project Manager**

2012

Latin America and Caribbean Department

Chemonics International

Washington, D.C.

- Projects: Colombia Biodiversity – Reduced Emissions from Deforestation and Forest Degradation+ Program (BIOREDD+), United States Agency for International Development (USAID)

### **Project Associate and Communications Specialist**

2010-2012

Latin America and Caribbean Department

Chemonics International

Washington, D.C.

- Projects: Bolivia Communications Activity (BCA), United States Agency for International Development (USAID); El Salvador Trade Development Program for Small and Medium Enterprises (ESTDP), United States Agency for International Development (USAID); Biodiversity and Agricultural Commodities Program (BACP), International Finance Corporation (IFC)

### **Food Security Intern**

2010

Agriculture Practice Network, Development Solutions Group

Chemonics International

Washington, D.C.

### **Special Programs Coordinator**

2009-2010

Graduate School of International Policy and Management

Monterey Institute for International Studies

Monterey, California