

Reflections on Donor Coordination: An Attempt to Establish a Microcomputer-based Development Project Directory in Sudan

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The World Bank and USAID have encouraged the coordination of Third World donor organizations as a worthwhile and feasible endeavor. However, the authors' experience in Sudan illustrates that, despite the availability of microcomputers and the tacit agreement of the donor organizations themselves, donor coordination is not easily obtained.

In the summer of 1987, the government of Sudan expelled several private voluntary aid organizations from the country and prohibited them from future operations in Sudan. The international press reported this event as another inexplicable example of erratic behavior by an African government. In fact, these and other aid organizations had been operating in Sudan as if there were no sovereign government in the country. Representatives of these donors were flying in and out of Khartoum, the country's capital, without the slightest pretense of coordinating their activities with the Sudanese government or other aid organizations. The recent action of the government of Sudan was an understandable attempt to obtain at least some minimal knowledge of and control over donor activities.

Ironically, the World Bank recently cited Sudan as a country which has made significant progress in improving donor coordination (IBRD, 1984, p. 42). Our own work in Sudan suggests, however, that the problem of donor coordination is indeed serious and is likely to prove much more intractable than is commonly realized. In the summer of 1984, we initiated a project in Sudan funded by the United States Agency for International Development (USAID) to work with the Sudanese Ministry of Finance and Economic Planning (MOFEP). The purpose of the project was to establish microcomputer-based decision support and management information systems. One of several components of our effort was to create a computerized data base of all ongoing, planned and completed development projects in Sudan which would assist the MOFEP, and the donors with the planning and management of development assistance.

The Ministry and USAID conceived of this project as a preliminary step to promote donor coordination; it was

to provide a fast, easy way for a donor to find out what other donors had done or were doing in a particular sector or region. This article describes the failure of the donors to provide the information required for this project data base to function effectively. We offer several explanations of the donors' failure to cooperate with the MOFEP and discuss the implications of this experience for future attempts at donor coordination.

Background

There has for some time been a growing awareness among both bilateral and multilateral donors that lack of donor coordination is a major problem. It is at least partly responsible for the failure of African economies to effectively utilize their development assistance. In its report *Toward Sustained Development in Sub-Saharan Africa*, the World Bank paints a comprehensive, sobering picture of the region's economic problems, and outlines a series of policy measures necessary for its economic rehabilitation. Two of the report's central recommendations pertain to the need for improved national economic management and donor aid coordination. The report calls for more strategic and flexible public sector planning by national governments. In addition, it calls for explicit commitments from both donors and recipient governments to implement their responsibilities under an agreed economic recovery program. Specifically, the World Bank calls for (1) strengthening management information systems in planning and finance ministries in order to facilitate timely policy analysis and strategic planning, and (2) providing high-quality technical assistance to those governments interested in building up such capacity (IBRD, 1984, p. 39).



The World Bank report pays particular attention to the need for improved donor coordination.

Aid administration is a particularly important area for institutional reform. Basic information on aid flows is often lacking; responsibility for donor contact and negotiation is unclear; links seldom exist between the plan, the budget, sector ministries, project entities, and donor activities. . . . The weaknesses of uncoordinated aid are increasingly recognized by African governments and donors. More consultative groups, UNDP-sponsored roundtables, and other arrangements have been set up to coordinate aid. . . . However, consultative groups have generally suffered from two major weaknesses. First, the commitments made by both governments and donors on program content and financial support have not been firm enough. Second, the groups have failed to get more involved in detail — priorities and assistance for particular sectors, programs, and projects, or specific changes in pricing and other incentive policies (IBRD, 1984, pp. 39–43).

Such increased involvement by donors in the details of aid administration is dependent upon improved access to information on both government and donor development activities. Our project was an attempt to work toward improvements in these areas in Sudan.

The World Bank's call for improved donor coordination and public sector planning certainly preceded the publication of this report, and Sudan was one of the first countries in Sub-Saharan Africa to initiate serious efforts along these lines. At the sixth Consultative Group Meeting for Sudan held in Paris in January 1983, several donors, including the United States and the European Economic

Community (EEC), called for the formation of subgroups of donors and government representatives, organized by sector, which would meet in Khartoum and monitor the implementation of Sudan's economic recovery program. The idea for these sector subgroups developed from the World Bank's country implementation review process, in which Bank and government representatives meet to review progress on Bank investment programs. At the January 1983 Consultative Group meeting, the chief World Bank representative and chairman of the Consultative Group reaffirmed the Bank's support for such monitoring activities and welcomed the inclusion of other donors in such discussions.

The discussions held during this Consultative Group meeting led to the establishment of the Joint Monitoring Committee (JMC) in 1983. The JMC was chaired by the Minister of Finance and Economic Planning and included the resident representatives of the World Bank, International Monetary Fund and concerned donors. Its primary purpose was to provide a local forum for more detailed discussions of how donor assistance could be better coordinated with Sudan's economic policies and investment program. It was originally envisioned that the JMC would meet quarterly in Khartoum, and the JMC Secretariat, consisting of staff from the planning wing of the MOFEP, would prepare progress reports and analyses for the quarterly meetings and for the annual Consultative Group meeting.

The JMC met three times in 1983 and by the seventh Consultative Group Meeting in December 1983, it was clear to the donors that additional technical staff needed to be assigned to the JMC Secretariat if the work of the JMC was to be productive. Getting donors and government representatives together was beneficial, but they needed information and analysis on the problems they were to discuss. Still, members of the seventh Consultative Group Meeting were enthusiastic about the potential contribution of the JMC. The chairman's report notes that there was a consensus that the JMC was performing a useful function and that donors should support it in the coming year. The representative of the Netherlands said that the JMC was a good start toward donor coordination in Sudan and that it might have applicability in other African countries. The EEC representative supported the work of the JMC and hoped that the coordination that had been started would be intensified and extended. Finally, the Sudanese Minister of Finance and Economic Planning at the time promised a strengthening of the JMC and noted that the local donor representatives would need timely information on commitments and disbursements from their central offices in order to support its work.

The seventh Consultative Group also assigned the JMC

several matters to examine, the most important of which was aid disbursement. The Minister of MOFEP suggested that a comprehensive review of donor disbursement procedures needed to be conducted in order to understand the reasons for the slowdown in disbursement of commodity aid. The representatives of the Arab Fund and the African Development Bank expressed the view that the issue of undisbursed project assistance should be examined to see if ways could be found to increase the flow of previously committed money, and also recommended that this task be given to the Joint Monitoring Committee.

Thus, in December 1983, there was ostensibly strong support for improved donor coordination in Sudan and for the work of the JMC, when quite independently we proposed to the USAID Khartoum mission director that a microcomputer data base of development projects in Sudan be established. Our initial idea was to create a data base using commercially available software (dBase III); each record in the data base would contain various kinds of information on a specific development project. Users could easily search the project data bases for projects of a certain type (e.g., all agricultural and irrigation projects in a particular region, or all energy projects funded by Western European donors which are behind schedule).

As originally envisioned, this computerized project directory was to serve two primary objectives. First, a centralized, easily accessible project data base would provide an overview of donor-financed development activities, and promote the dissemination of information on projects among donors. The MOFEP staff could prepare reports in response to specific requests from donors or government agencies for project information. Although conceptually simple, the importance of this objective of information storage and dissemination should not be underestimated. The institutional memory of donor organizations in countries such as Sudan is quite short due to brief staff assignments, so there is an urgent need for basic data on project activities. Paper records are poorly maintained, and project reports are not widely circulated.

The second objective, and ultimately the more important one, was to begin to establish a project data base which would support an improved planning and budgeting system within the MOFEP. An up-to-date, centralized project data base is essential for (1) the preparation of the development budget, (2) sectoral planning, (3) the estimation of recurrent costs, and (4) project monitoring and evaluation. One major goal was to provide the Ministry with an early warning system for implementation and financial problems on development projects.

The need for a centralized set of data on development projects was widely recognized within the MOFEP and the donor community. The April, 1984 World Bank

report, *Sudan: Planning and Budgeting for Recovery*, by R. Ridker, called for the establishment of a centralized project directory, and actually proposed two project data forms for use in system design and data collection. The MOFEP itself had made several attempts to collect project data, and various forms were available in the Ministry. For example, when we began our project in the summer of 1984, we were shown a collection of handwritten index cards which contained limited project information. In addition, the UNDP Advisors to the MOFEP had drafted forms to be used to collect information on project activities.

This discussion demonstrates that, although the computerization of a project directory may have been somewhat original in Khartoum, the need for a central file of information on development projects was widely recognized, both by the MOFEP and the donor community. In our opinion, however, the actual physical processing and management of the records for approximately 250 ongoing, donor-financed development projects and 750 loans and grants proved a major impediment to both simple data analysis and improved planning and budgeting procedures. A computer data base was the most practical way to efficiently manage this much information in a timely manner. In the summer of 1984, we arrived in Khartoum to attempt to create such a data base.

Data Collection Efforts

The development of the software for the project directory was quite straightforward. By far the most difficult part of establishing the project directory was the collection of the data to put into the system. There were three primary places where project data could be located: donor offices, the Ministry of Finance and Economic Planning



Omdurman Market, Sudan.

itself and the implementing agencies. This section describes the efforts to collect data from the donor community.

At the July 1984 meeting of the Joint Monitoring Committee, the Undersecretary of Planning formally announced that USAID had agreed to fund our project to establish a microcomputer-based development project data base. He requested the donors' assistance in this work, reminding them of discussions along these lines at the December 1983 Consultative Group Meeting. In August 1984, together with staff from the Secretariat of the JMC, we personally visited the representatives of the major bilateral and international donors in Khartoum to explain the nature of the proposed project directory and to elicit their help in completing two data forms which had been designed to collect information on donor-financed development projects. We paid personal visits to the Khartoum representatives of the following donors: UNDP, World Bank, EEC, France, United Kingdom, Federal Republic of Germany, Italy, Japan, Netherlands, Switzerland and USAID. These visits were followed up by a formal written request to twenty-two donors from the Undersecretary of Planning in August 1984, in which he requested their assistance in completing these two forms. In addition to the eleven donors noted above, this letter was sent to the Embassy of Denmark, African Development Bank, OPEC Fund for International Development, Kuwait Fund for Arab Economic Development, Islamic Development Bank, Abu Dhabi Fund for Economic and Social Development, Abu Dhabi Government, Saudi Fund for Development, Arab Fund for Economic and Social Development, UNCDF and International Fund for Agricultural Development.

To the best of our knowledge, the Undersecretary never received a reply to his letter from the World Bank, UNDP, EEC, Federal Republic of Germany, Italy, Netherlands, Switzerland, Kuwait Fund for Economic Development, or the Arab Fund for Economic and Social Development. Contrary to the expectations of the Western donors, by far the most complete, thorough and prompt responses were received from the Arab donors. Most of the major Western donors never even bothered to answer the Undersecretary's letter; even among the respondents, several replied in a superficial and incomplete manner.

In November 1984 and in January 1985, we again visited the Khartoum offices of many of these donors to request their cooperation in this effort. The Undersecretary of Planning also sent a follow-up letter in January 1985, noting the importance of this work for the JMC. By the summer of 1985, the Undersecretary had received only two replies to his second request for project profiles from the donors: a letter from the Federal Republic of Germany informing the undersecretary that they did not have

time to fill out the forms, and two project data forms from the Swiss Embassy.

What we find extraordinary about this experience is that the majority of the donors did not even feel obliged to answer the Undersecretary's letters, a seemingly simple courtesy. Perhaps the experience with the World Bank best illustrates the lack of donor cooperation in this effort. As noted, this effort was directly responsive to World Bank policy objectives in Sub-Saharan Africa. The World Bank's own mission to Sudan in March 1984 called for the establishment of a computerized data base in Sudan. World Bank staff in both Khartoum and Washington were contacted personally on several occasions to make specific suggestions for changes in the project directory. These were incorporated into the system design. World Bank staff continually promised to cooperate with the MOFEP and USAID to support this effort. Yet the World Bank did not complete the data forms nor did it answer the letters from the Undersecretary.

Reasons for the Donors' Failure to Cooperate

In their recent book, *Does Aid Work?* (1986), Robert Cassen and his associates note three main reasons for donors' reluctance to undertake meaningful aid coordination efforts:

- a. Coordination is likely to impair the freedom with which donors can pursue their political and commercial interests through their aid programs.
- b. Donors know that there are both ideological and technical subjects on which they are likely to disagree, and aid coordination would create conflicts.
- c. Aid coordination can be costly in administrative time and money.

Although these explanations certainly have merit, based on our experience in Sudan the problem of donor coordination seems likely to be more invidious than these reasons suggest. We found both related and additional explanations for the failure of the donors to cooperate with the MOFEP and USAID to establish a central depository of information on projects. We have categorized them into three groups: (1) reasons internal to the donor bureaucracy, (2) donors' impressions of the external planning environment, and (3) donors' impressions of the microcomputer technology itself. Each of these explanations was informally proffered to us by donor representatives themselves in follow-up interviews we conducted in the summer of 1985.

First, even if donors' intentions are good, there is a variety of organizational pressures which mitigate against real cooperation. Donor bureaucracies are not structured

to promote aid coordination. There are few bureaucratic incentives to individuals within donor bureaucracies to work with other donors. As the World Bank has noted, donor coordination is administratively demanding and time consuming and it is rarely rewarded in terms of professional evaluation or promotion (1984, p. 43). Both executives and junior staff are evaluated by central offices which have little awareness of efforts by their field staff to work with other donors. In fact, central office personnel evaluation procedures often foster competition between donors. An enterprising program officer who lets others know some of his "best" project ideas may well find them funded by other donors. On the other hand, many donors make most of their major programming decisions at the central headquarters so that individuals in the field typically feel there is little they can do to promote donor coordination, even if they wanted to. Finally, the donors' field offices are typically understaffed relative to central headquarters, and the individuals from whom we requested assistance were often extremely busy.

The second set of explanations concerns the donors' perceptions of their external planning environment. Given the pressures on their time, donor representatives were forced to make a judgment as to the likelihood of success of our effort to establish a computerized project data base, and the effectiveness of such a system if it were established. Too often, the subjective probability assigned to both of these events was low. The likelihood that we would succeed in creating the system in the first place was perceived to be low, in part because each donor felt the other donors would not cooperate. Therefore, individual donors saw little reason to participate in the data collection effort themselves. The Western bilateral donors, in particular, felt that the Arab donors would not cooperate. This is a classic "free rider" problem which we had hoped to address by reaching a collective agreement in the JMC to support this effort. In the end, however, the JMC failed to meet regularly. Moreover, little informal pressure could be exerted on donors who did not participate.

The donors also had little regard for the efficacy of the planning wing of the Ministry. To many donor representatives, the planning wing was so ineffective as to be irrelevant to their objectives. Their primary interest in the Planning Ministry had become finding the easiest, fastest means of getting their projects approved and their funds disbursed. An effective planning operation in the MOFEP would inevitably entail less discretion on the part of the donors in programming their aid and, in the short run at least, this was perceived to be an obstacle to their aid program rather than a necessary step in institutional development. It was thus not clear to donors that the



The capital city of Sudan, Khartoum.

MOFEP wanted the effort to succeed. As one representative of a private voluntary organization put it,

I don't really think you will be able to establish this microcomputer data base, but what happens if you do? I see more problems for me than advantages. Why should I want to give the Planning Ministry the information to meddle in our affairs?

Another related reason for the donors' failure to cooperate which pertained to their impression of the external planning environment was that the project was perceived to be too closely tied to USAID. For the planning wing of the MOFEP to have a centralized data base of development projects was bad enough; for USAID to be the only donor with such centralized information was even worse. At the July 1984 JMC meeting, this project was announced to the donors. Both USAID and MOFEP representatives assured the other donors that the data in the project directory would be available to all. However, the donors' skepticism is understandable in an environment where data is scarce and is typically treated as proprietary. There was a fear that the planning wing of MOFEP, and indirectly USAID, would have much greater access to the project data base. For at least one donor representative, there was also an underlying apprehension about creating the institutional capability in what was then a military dictatorship to create and manage centralized data bases. (This concern was not entirely unwarranted. Within a matter of just a few weeks after the creation of the new Management Information System Unit in the MOFEP, one of the USAID-supplied computers was commandeered by the security police whose stated objective was to set up a data base of automobile license plates in Khartoum).

A third set of reasons for the donors' lack of cooperation relates to their impressions of the technology itself. Individuals working for donor agencies in a place like Sudan can hardly be expected to be up-to-date in the latest developments in microcomputer technology, and, indeed,

they were not. For this reason, they were unable to realistically evaluate the magnitude of the software development which we proposed and the likelihood that it would succeed. Many had had frustrating experiences with main-frame computers of some sort and tended to extrapolate their horror stories to microcomputers. We encountered a wide range of skeptical comments about computers in general. At least five individuals independently offered us that sage advice, "garbage in; garbage out," implying that the whole effort was futile. The message was really that computers were an inappropriate technology in such a data-poor environment; that this was simply another example of a capital-intensive technology being pushed by donors without regard to the needs and capabilities of the local economy. We disagree with this line of reasoning, but it certainly deserves serious examination (see Calhoun, Drummond and Whittington, 1987).

In contrast to hardware issues, several donor representatives felt that the software development applications we proposed were far too sophisticated. In reality, the software development was the easiest, most tractable and least time consuming part of our assignment. Maintaining software and training people in its use, on the other hand, is an important issue.

Implications for Future Donor Coordination Efforts

To date, the campaign for donor coordination has been carried out at a fairly superficial level. It is one more exercise in what Robertson (1985) has termed the "ritual of planned development." Many of the donors that rhetorically call for coordination simply do not want it. Moreover, many Western donors adopt a patronizing attitude towards the whole process. Their attitude is also a source of misunderstanding about their own and others' performance. At the center of this patronizing attitude is a belief in their own bureaucratic efficiency and in the inefficiency of the host country's bureaucracy.

Although donors such as the World Bank support the idea of improved donor coordination, their representatives do not really know what this entails in terms of data management and analysis. Most donor coordination efforts have not proceeded beyond the level of general discussions because donors place data management demands upon the ministries of finance and planning which even the donors themselves do not know how to address. Few donor representatives have thought seriously about how they would manage the flow of paperwork associated with hundreds of millions of dollars of aid from thirty donor agencies—all with different accounting procedures, currencies and priorities—with the limited budget available to a minister of finance or planning in an aid-dependent economy such as Sudan's.

Ironically, donors' demands for information on the recipient government's development projects and policies may be greatest precisely in those cases where the government is least able to respond and where the development plans are least likely to be effective. Such demands can contribute to the destruction of host country planning institutions (Morss, 1984). This suggests to us that the field staff of donor agencies concerned with aid administration need to spend less time giving advice to ministries of finance and planning about data management and planning problems which they themselves have never faced, and more time actually working with these bureaucracies to improve their management information and decision support systems. In our experience, many of the staff of the MOFEP want to do a better job managing and coordinating donor assistance, but it is a complicated task with which they need help—particularly in the area of microcomputer applications. Donors tend to berate them, but offer little in the way of ideas or concrete assistance. Moreover, donors do not adequately appreciate the nature of the data management demands they themselves are placing on the development planning enterprise.

Calls for improved donor coordination are likely to fail unless underlying organizational and attitudinal issues are addressed more directly and seriously. Part of the problem is simply that all donors want to *coordinate*, but no one wants to be *coordinated*. Based on our experiences in Sudan, we believe future improvements in the area of donor coordination depend in large part upon more explicit policy directives from top management in both multilateral and bilateral donor agencies. Almost without exception, the donor representatives in Khartoum with whom we dealt treated donor coordination as a peripheral concern. Typically, their primary responsibility was to see that the budget targets for their aid allocations were spent, not that they were effectively coordinated with national government priorities and the work of other donors.

Top managers in donor agencies must change the incentive structure which their staff faces, in order that time spent on coordination with other donors is recognized and rewarded in personnel evaluations and advancement. Until then, real progress in donor coordination will be slow. We suggest that management experiment with ways of obtaining written evaluations of staff job performance from national government counterparts in the ministries with which they deal. Management must also realize that donor coordination efforts are time consuming and require a long-term commitment to the institutional development of both the donor agency and the national government. If serious attention is given to the issue of donor coordination, information management support of the kind we tried to develop will be essential. □

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