**Donor-driven harmonised payment of allowances policy & NGO’s community engagement in Malawi**

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**ABSTRACT**

NGOs are recognised as key players in international development yet recent studies have highlighted the complex problem of per diem allowances in the sector. In Malawi, donors responded and developed harmonised guidelines on payment of allowances. This study explored NGOs responses to harmonised guidelines and provides new insights. Study findings show that the case study NGO X, dealt with multiple stakeholders’ expectations and demands. Donors demanded compliance, so the NGO took steps to comply with the guidelines whilst trying to manage other stakeholders’ expectations. In effect compliance limited its operations, damaged its working relations and significantly increased their programme costs.

**KEY WORDS**

Development policies; Participation; NGOs; Aid effectiveness; Health; Sub-Saharan Africa

**Introduction**

Non-governmental organisations (NGOs) are recognised as key actors in low-and-middle income countries for their work in social development (Lewis 2010). For instance, NGOs support the strengthening of health systems, especially in developing countries and reach disadvantaged populations with essential health services (Gellert 1996). These roles have enabled NGOs to attract attention and increased flow of funding from donor agencies and governments. This study focused on local NGOs (LNGOs) and international NGOs (INGOs) mainly those delivering some of their programmes in the health development sector. Therefore, where the paper refers to ‘NGOs’ it represents both types of NGOs.

NGOs engage with various stakeholders that also influence their work and exert pressure in terms of expectations and demands regarding strategic choices on operations or policies (Oates, 2013). On the other hand, relationships between donors and NGOs affect service provision and their interaction with beneficiaries. Thus, “*NGOs face more direct incentives to manage donor satisfaction than beneficiary welfare*” (Werker and Ahmed, 2007, 8). Therefore, leaders of NGOs face tough choices regarding stakeholders’ demands to embrace and resist. Overall, the choices NGOs make in managing the complex relationships with stakeholders affect their strategies and community engagement[[1]](#footnote-1).

In Malawi, NGOs play a critical role in contributing to social development and in the last ten years NGOs have been dealing with a change of policy on harmonisation of allowances provided to participants (government staff, NGOs staff and communities) in donor-funded activities. These activities in the health sector could range from capacity building workshops to direct provision of health services in remote areas. Some funding could target specific diseases such as malaria and HIV/AIDS (UNICEF 2017). For instance, at community level NGOs in collaboration with government staff and community leaders could identify community health volunteers to provide contraceptives such as condoms. These volunteers would require capacity building to offer contraceptives and an NGO organises a training workshop and usually government staff are trainers in such activities. This study looks at the important topic of harmonisation on payment of allowances as it is critical for NGOs’ work in the country and explores the strategic responses of one of Malawi’s prominent NGOs to donor policy and its effects on community engagement.

Studies have highlighted the complex problem of per diem allowances and documented their benefits and the negative effects. There are studies that have recorded positive effects of per diem allowances including motivation of staff to encourage commitment, especially in countries where staff are lowly paid, covering related costs and enabling professionals to undertake professional development programmes (Muula and Maseko 2006; Vian 2009). However, the negative effects are many that include disruption to government business or operations as senior officers spend their time hunting per diem allowances, conducting non-essential field trips and its effects on the functionality of health systems (Vian 2009; Ridde 2010). There have been malpractices whereby key government staff neglected their duties chasing allowances to enhance their income (Søreide et al. 2012; Harmonised Guidelines 2013).

The issue of per diem is a common challenge experienced in the implementation of development programmes as people at the community and professional levels expect allowances (Ridde 2010). Strauss (1978 in Ridde 2010, 2) highlighted that researchers, international experts and staff of various organisations from developed countries have also benefitted from the arrangement of per diem allowances.

Notwithstanding reported advantages, most of these studies have called for action or alternative policies to deal with the problem of per diem allowances. The suggested solutions have included harmonisation of per diem rates, payment of allowances based on needs other than rank or position and establishment of transparent monitoring mechanisms for tracking allowances (Chene 2009; Vian 2009; Peter 2010; Vian et al. 2012; Nkamleu and Kamgnia 2014). In Malawi, a group of donors[[2]](#footnote-2) responded to the challenges by developing harmonised guidelines on allowances. All NGOs accessing funds from major donors are required to follow and apply the harmonised guidelines.

Following the introduction of harmonised guidelines on payments of allowances in Malawi, there have been no rigorous specific studies conducted and published to provide evidence to donors, organisations and policy-makers on their effects. Predominantly, what has been available are one-off media stories or NGOs’ reported experiences such as poor attendance where harmonised guidelines have been applied (Chimjeka 2016; Erasmus et al. 2017). Therefore, there is a dearth of literature on effects or effectiveness of policies that donors have instituted such as the case in Malawi to harmonise allowances. Secondly, little has been published on how NGOs are responding to harmonised guidelines and adjusting their community engagement as a result. This case study addresses that knowledge gap and provides some new insights and unravels practical issues.

***Study setting***

The study was conducted in Malawi and involved participants from donor agencies, NGO X (case study), other NGOs, communities and government staff. The researcher was hosted as an independent team member to one of the prominent NGOs in Malawi simply referred to as NGO X here to protect its identity. NGO X receives substantial funding from some of the country’s major donors that are signatories to the harmonised guidelines such as the Department for International Development (DFID), United States Agency for International Development (USAID) and European Union (EU). NGO X relies on the commitment of communities and donors to achieve success in its programming. NGO X is an organisation that has worked in the development sector in Malawi for the past 30 years with more than 300 staff and annual budget of about £14 million. All NGOs whether international or national are constitutionally registered with a coordinating body the Council of Non-Governmental Organisations in Malawi (CONGOMA). In 2018, Malawi had more than 550 NGOs registered with CONGOMA.

Malawi is a low-income country in Southern Africa with a per capita Gross Domestic Product (GDP) of US$327 and an agricultural-based economy that accounts for 30% of the GDP (IMF 2017). During the last five years (2012-2017) the country has averaged an economic growth of 3.7%. Malawi has a total population of about 18 million of which 69.6% is considered as living below the poverty line (IMF 2017; IMF 2018). Over the years, the country has made significant progress in some of the human development indices such as meeting the MDG 4 target on reducing child mortality. The country has highly depended on external aid with about 40% of its national budget contributed by donors. Recently, donors stopped providing direct budgetary support to government while they have maintained flow of official development assistance (ODA) through alternative channels such as NGOs. For instance, in 2015 the country received a total of US$910 million as ODA (Global Partnership 2016). In Malawi, ODA substantially supports health (42%), agriculture (21%), education (8.6%), governance (6.7%), infrastructure (6%) and all other sectors (15.7%) (Development Initiatives 2013). In 2011/2012 the Malawi Government contributed 16% to the total expenditure for health while donors provided 68% and the rest from other sources. It is important to note that 80% of the government expenditure on health is mainly for recurrent costs such as salaries and travel related costs while donors provide restricted funding targeting specific activities such as HIV/AIDs, Malaria or TB control. The country’s donor support for health has increased from US$ 50 million in the year 2003/2004 to US$ 350 million reported in 2014/2015 (UNICEF 2017). In Malawi, NGOs play a critical role in the health sector, especially in serving the rural or hard-to-reach areas and under-served populations.

In Malawi, guidelines on payment of allowances have been periodically reviewed within the public sector and recently in the NGO sector where donors mainly provide funds. Interestingly, the common challenge Malawi Government and NGO sector has faced is the malpractice of staff deliberately abusing travel allowances to enhance income (Peprah & Mangani 2010). Muula and Maseko (2006) study reported that health workers in Malawi’s public sector relied on travel allowances as a coping mechanism to enhance their low salaries. Overall, the Malawi government expenditure on travel allowances was estimated at 9.2% of the national budget for the public expenditure review of 2006-2010 (Peprah & Mangani 2010).

***Harmonised guidelines in Malawi***

The concept of making aid more effective is very critical for the international development sector. The Paris Declaration on Aid Effectiveness on 2nd March 2005 that was followed by Accra Agenda for Action in 2008 signifies the importance of the issues affecting development. The declaration stipulates 5 commitments made by country partners and donors that include ownership[[3]](#footnote-3), alignment[[4]](#footnote-4), harmonisation, managing for results and mutual accountability. However, the consensus is that commitments interpretation is based on the context of each country (OECD 2008).

In simple terms, harmonisation means “*donors’ implementation of common arrangements and simplification of procedures*” (OECD 2008, 6). Harmonised guidelines are a set of guiding principles and procedures for harmonisation of allowances and reimbursements of costs for workshops, training, seminars, field travel and other related activities in Malawi**.** Throughout the article, this will be simply referred to as harmonised guidelines.

In Malawi, donors developed harmonised guidelines to maximise value for money of the ODA they provide. Partly, donors’ decision was driven by a perceived need to fulfil one of the guiding principles and commitments of the Paris Declaration on Aid Effectiveness that emphasise on harmonisation amongst other commitments (Peprah and Mangani 2010). In addition, donors opted for harmonised guidelines because of various reports of abuse such as, misuse of funds and malpractices associated with per diem allowances. Søreide et al. (2012) and Harmonised Guidelines (2013) identified some of the examples of the malpractices that included:

* Government officers neglected their duties while chasing allowances by attending workshops and meetings.
* Conducting repeated capacity-building activities and in some cases attended by the same participants.
* Government officers paid facilitation while supporting donor-funded activities, yet they were doing work for which government already paid them salaries.
* Allowances obtained through participation in donor-funded activities viewed as salary top-up.

In Malawi, since 2011 donors have periodically reviewed the harmonised guidelines to reflect increased market costs. Notably, a review of 2013 introduced an additional aspect as quoted below that was a major shift in the policy.

“To avoid undesired incentives ….it has been agreed to move, wherever possible, from the current policy of payment of allowances to the participants to a system of coverage of actual costs incurred by the participants paid directly to the service providers” (Harmonised Guidelines, 2013, 1).

Overall, this meant in places with accommodation facilities participants of donor-funded activities could no longer be paid per diem allowances.

The latest version of the harmonised guidelines released at the end of 2016 maintained all previous principles except that it made the payment of dinner cash allowances optional (Harmonised Guidelines 2016). Interestingly, the Malawi Government applies and periodically reviews its own guidelines[[5]](#footnote-5) on travel related allowances for civil servants when utilising government funding but these are different from those agreed by donors in the harmonised guidelines.

***Study Aim and Objectives***

The study aim was to investigate NGO X strategic response(s) to harmonised guidelines and its impact on community engagement activities. Focus was on identifying community, donor and NGO expectations of each other in the delivery of programme activities; establishing NGO X’s strategies for managing stakeholders’ expectations in the light of harmonised guidelines; and identifying the effects of harmonised guidelines on the way NGO X engaged with communities and delivered its mandate.

**Methodology**

This case study employed an embedded qualitative research approach using observation, review of key documents and in-depth interviews to collect data and used a thematic method of analysis. NGO X hosted the researcher who was based in Malawi for a period of four months (March - June 2017). The study partly applied Oliver’s conceptual framework that highlights organisational strategic responses that include acquiescence, compromise, avoidance, defiance, and manipulation. Oliver (1991,151) argues that these “*strategic responses vary from passivity to active resistance*.” However, the study did not rigidly apply the framework because other concepts were considered in the analysis and discussion. The analysis also draws on authors’ observations, document knowledge and long-term working experience in the NGO sector in Malawi.

***Data collection***

In total, the study conducted 18 formal interviews that included: NGO X staff (senior management (4) and field staff (3), other NGOs senior management staff (3), donor agencies staff (2), government staff (3), community level stakeholders (3). The study arranged four additional informal discussions with other NGO X staff (2 senior managers and 2 senior field officers) as member checks conducted at the end of data collection period and after preliminary analysis of data to verify findings.

In addition, to understand a complex policy on harmonised guidelines it required the review of written documentation and field observations. Therefore, the study also reviewed key relevant documents to obtain valuable data on harmonised guidelines, community engagement and NGO’s operations. Field observations focused on operations of NGO X and its fieldwork activities.

**Results**

Results have been grouped under (i) expectations and demands of engagement (ii) management of expectations and demands and (iii) effects of harmonised guidelines.

NGO X stakeholders mainly included communities, donors, government, and other NGOs or civil society groups. This manuscript mainly covers the management of expectations and effects of harmonised guidelines. However, the study findings on expectations and demands have been briefly stated and included. This study found that NGO X dealt with multiple stakeholders’ expectations and demands that included the high quality of services, contribution to donors’ strategic objectives, allowances or incentives and handouts, consensus to follow harmonised guidelines, and partnerships.

***Management of stakeholders’ expectations and demands***

This section focuses on presenting the strategies of NGO X in management of stakeholders’ (donors, government staff, communities and NGO X staff) expectations in the light of harmonised guidelines. These include compliance with harmonised guidelines; avoidance of stakeholders; advance awareness or communication; and compromise.

*Compliance with harmonised guidelines*

NGO X strategically responded to donors by complying with the implementation of harmonised guidelines for every project or programme. At the release of the 2013 version of the harmonised guidelines, NGO X reported that it fully complied with the implementation of the harmonised guidelines and at the time, no department or section of its programmes or projects was exempted. However, two years later NGO X also took steps to introduce minimal changes in their response. NGO X relaxed the implementation of guidelines for a specific section of its field staff that were provided with monthly cash field allowances and not required to reconcile by collecting expense receipts.

“Nonetheless after a year or two we did introduce a subsistence allowance which did calm down things a little bit …so, what we did was to do a review of the provision and came up with a standard provision *…”* (Respondent, NGO X staff).

This special unit of NGO X usually worked in remote areas with no reputable suppliers of accommodation services and their activities schedule changed frequently making the prior booking of accommodation unrealistic.

Notably, the provision (adjustment of harmonised guidelines) referred to in the direct quote above did not appear even in their latest NGO X daily subsistence allowance policy 2017 version. However, the NGO maintained and reviewed the rates of the provision as an internal arrangement and it was the only part that showed that the organisation attempted to move away from strictly following the stipulated harmonised guidelines.

Initially, NGO X complied with harmonised guidelines because the leadership anticipated punitive measures from donors for non-compliance. However, according to NGO X, their counterparts funded by the same donors circumvented full compliance with no consequences.

*“…*it doesn’t appear to have been any consequences for ignoring it [harmonised guidelines]. …..… I feel quite bruised… it has not done us any good. … organisations that ignored …have had much few easier years. You know…. we don’t wanna risk future DFID funding or USAID funding because we are not compliant with this policy” (Respondent, NGO X staff).

As a result, NGO X compliance with harmonised guidelines, field staff struggled to easily conduct community engagement activities and work with community gatekeepers and key government district staff. The study observed while participating in NGO X field activities that at times field staff devised their own innovative ways of managing expectations of community gatekeepers that were contrary to their organisation or donor policies.

*Avoidance of stakeholders*

NGO X changed approaches of delivering programmes or community engagement activities to meet the donor expectation of compliance with harmonised guidelines. At the community level, NGO X field staff timed some of the activities to avoid interacting with communities for a period beyond a half day as one way of avoiding demands for lunch allowances.

“I can’t involve district stakeholders because I will not manage to provide them...... You must make sure everything is planned to be half day… otherwise people will give you problems by demanding lunch” (Respondent, NGO X staff).

In addition, the study observed and confirmed that some of the NGO X field staff intentionally avoided involvement of key district staff in community engagement activities, especially those that might demand allowances.

*Advance awareness or communication*

NGO X frontline staff were aware of the policy/harmonised guidelines and staff shared the same message with their stakeholders or government counterparts. NGO X field staff communicated in advance to participants about all logistical arrangements in terms of a planned activity to minimise expectations on allowances or other incentives.

 “For instance, on monetary expectations, before we travel to any area for an activity, we inform the people in advance that we have no budget line for allowances; what you can expect at the end of the activity is refreshments” (Respondent, NGO X staff).

However, such advance communication sometimes did not work out due to poor communication or other challenges. At times, field observations revealed that NGO X field staff did not provide prior information about logistical arrangements concerning allowances.

*Bargained with donors*

Bargaining is one form of strategic responses under the Oliver’s framework grouped together with ‘balance’, and ‘pacification’ (Oliver, 1991:151). To meet donors’ expectation of complying with harmonised guidelines and manage demands of allowances from other stakeholders, NGO X attempted to bargain or negotiate with its specific donors but that was not successful.

“We repeatedly asked our donors can we have some leeway on this [harmonised guidelines]?.….and it was no, no, no …. the policy is the policy and you must implement it as it is”(Respondent, NGO X staff).

INGOs forum in Malawi also attempted to bargain with the donor community but that only met with resistance or insistence by donors that organisations should fully comply with guidelines. However, continued dialogue or these kinds of efforts might have contributed to recent changes that came with revised harmonised guidelines released in 2016 that were slightly flexible as compared to the 2013 version. In short, NGO X attempted to bargain and failed, therefore did not pay cash allowances to government staff involved in community engagement activities while other NGOs interviewed compromised and continued to pay cash allowances. Notably, some of the NGOs in Malawi partially complied with harmonised guidelines or managed to bargain directly with specific donors and successfully secured approvals for adjustments, exceptions, or relaxation of harmonised guidelines. For instance, another INGO interviewed confirmed that they managed to obtain a waiver from some of their donors supporting projects in selected districts that had shortage of accommodation facilities to be spared from the full compliance with harmonised guidelines.

“Of course, we have an internal policy within [INGO Y] which was also discussed with partners … full board in some districts is not applicable. [INGO Y] asked for a waiver from specific donors that are funding those projects. So, ... we have prelisted places where that can happen” (Respondent, INGO Y staff).

***Effects of harmonised guidelines/donor policy***

This section focuses on presenting the effects of harmonised guidelines on the way NGO X engaged with communities and delivered its mandate. These include damaged working relationships; competition among NGOs; poor commitment among stakeholders; poor motivation among community health workers (CHWs) and volunteers; and disrupted programme implementation.

*Damaged working relationships*

Overall, NGO X reported a good working relationship with most of the donors and government at the national level. However, the implementation of harmonised guidelines negatively affected their working relationship with other stakeholders, especially community gatekeepers and other government district staff. As a result, these relationships affected collaboration with government staff and coordination of programme activities, especially at the district or community levels.

 “Government district programme coordinators are used for years in getting paid [allowances by NGOs] and do supervision. When you stop doing that of course, it damages the relationships*…”* (Respondent, NGO X staff).

All stakeholders echoed the importance of collaboration with government and coordination in the implementation of programme activities. Some of the community gatekeepers who were not provided with allowances from NGO X during community engagement activities felt it was an issue that affected their working relationships with NGOs.

*Competition amongst NGOs*

Generally, NGOs were competing for government district staff support because of the variations in the implementation of harmonised guidelines. NGOs that partially or completely ignored compliance with harmonised guidelines found it easier to get support from government staff or community gatekeepers. As a result, NGO X was not guaranteed support or participation from stakeholders, such as community gatekeepers or key district staff who demanded allowances, especially at the community and district levels where it mattered for community engagement activities. In addition, donors struggled to enforce compliance and uniform implementation of harmonised guidelines while government senior staff showed no or little interest to help genuinely and practically make their staff comply. The only significant step Malawi Government took was to endorse and circulate the harmonised guidelines. As a result, there was resistance and variations at the implementation level that created unwanted competition amongst NGOs for government staff and community gatekeepers.

“... that is the problem [variations] that is encouraging some sectors not to accept those guidelines … it seems some donor agencies they don’t follow. Even on their partners they are not enforcing it” (Respondent, donor agency staff).

*Poor commitment and participation of stakeholders*

NGO X and other study participants reported that there was poor commitment and participation of key government staff at the district or community levels, to support the NGO’s community engagement activities. NGO X did not pay allowances to stakeholders but only provided refreshments.

“They [key district staff] do not go [to events such as meetings or training] even the District Health Officer (DHO) …. when there is full board[[6]](#footnote-6) he would ask… which is this programme? – ok Mrs so and so can you go, and you know … am busy” (Respondent, government staff).

The lack of commitment and participation of key government staff at the district level affected community engagement and overall leadership in the implementation of health programmes. Key government staff shunned important projects implementation meetings because there were no allowances paid and not because they were busy. As a result, key staff delegated to junior staff who were not decision makers.

*Poor motivation of community health workers and volunteers*

Some of the volunteers and CHWs viewed direct payments of cash allowances as a motivating factor, and a top-up to community health workers’ low salaries. Volunteers normally felt the opportunity of getting any income to compensate for the time they spend on supporting health activities was taken away.

“Generally, for us these donor guidelines have really been a challenge. Frankly speaking, for us working in government our salaries are already low. So, to be part of a meeting or training where you are on full board it becomes very painful…*.”* (Respondent, government staff).

During the interviews community health workers and volunteers expressed the value of rare opportunities that came with activities that provided them allowances. Interestingly, they highlighted the challenge of keeping community health volunteers active and motivated without some of those incentives such as allowances. The study could not establish exact numbers of volunteers that dropped out, but respondents partly attributed it to poor motivation with the introduction of harmonised guidelines.

*Disrupted programme implementation*

Some projects revised down their targets due to increased implementation costs, planned programme activities were not implemented because participants did not show up or abandoned the activities altogether. As a result, programmes’ targeted beneficiaries were not reached with the intended services.

Overall, harmonised guidelines increased the cost of implementing programmes. “*…the cost of us doing work massively increased like it quadrupled.*” (Respondent, NGO X staff)*.*

Accommodation and meals costs increased because NGOs paid directly to suppliers of services and mostly those were lodges and hotels. The costs were pitched much higher than when participants were paid allowances to look for their own accommodation. Another staff from an international NGO highlighted the same issue of cost.

“What I just find to be problematic is when the donors’ preference is that we pay the vendor – ‘*uhmm*’ it is costly for programming – they end up coming at a later stage asking why it cost XY dollars to do this kind of or to deliver this kind of work?” (Respondent, other NGO staff)

Both donors and NGOs echoed the negative effects on the implementation of programmes.

“But it has impacted a lot in terms of implementation of some programmes. Even the communities …we need communities to attend some workshops and all that…………. a number of programmes have suffered including those of NGO X” (Respondent, donor agency staff).

However, another NGO reported that harmonised guidelines positively resulted in the reduction of implementation of non-essential training activities. This organisation conducted only essential training to avoid these common challenges with participants demanding allowances and abandoning training activities.

**Discussion**

This study has demonstrated that NGOs take various strategic responses that include compliance with harmonised guidelines, bargaining with stakeholders, and avoidance of stakeholders. Harmonised guidelines affected community engagement in various ways that included disruption of programme implementation, competition amongst NGOs, poor commitment and participation of stakeholders, damaged working relationships with community gatekeepers and poor motivation for CHWs and volunteers.

NGO X leadership initially opted to fully comply with the implementation of harmonised guidelines because they perceived to gain higher legitimacy. An organisation usually weighs its decision to comply with any institutional pressure after considering its legitimacy and efficiency that might gain in the process (Oliver 1991). In addition, NGO X needed to find means of surviving the changes that came with the new donor policy. As usual, changes in donor policies result in critical effects on NGOs that must work on managing their relevance and maintain legitimacy to survive (Mosse 2005). Interestingly, it is important to note that while NGO X passively complied in the implementation of the harmonised guidelines some of the NGOs within Malawi partially complied or successfully compromised by bargaining with their specific donors to implement the policy with greater flexibility. One would have expected all NGOs in Malawi to comply with the harmonised guidelines but there were other factors that the leadership in other NGOs must have considered as discussed in the next paragraphs of this discussion section.

NGO X in Malawi had multiple stakeholders who exerted pressure on the organisation with their expectations, demands and rules or policies that sometimes conflicted. For instance, donors expected NGO X to implement harmonised guidelines and engage communities to deliver funded programmes. On the other side, NGO X had community gatekeepers and government staff with high expectations of allowances, incentives, and handouts. Additionally, donors agreed with NGOs performance targets to meet to get funding. These aspects conflicted with donors’ demands for full compliance with harmonised guidelines. In addition, much as donor policies command power but at the implementation level these positions are always negotiated because donors also require NGOs to spend their budgets and meet their own performance targets (Mosse 2005). This possibly explains why there were variations in the implementation of harmonised guidelines across the NGO sector in Malawi.

Harmonised guidelines resulted in increased cost of programme implementation meaning NGO X was likely to reach fewer people with the available resources. Overall, this was found to be inconsistent with goals of the NGOs interviewed in the study and harmonised guidelines became a constraint considering its effects on community engagement as reported in the results section. There was disruption of programmes implementation, poor commitment and participation of stakeholders, damaged working relationships with community gatekeepers and poor motivation for CHWs and volunteers. This means harmonised guidelines created a challenging working environment for NGO X to achieve programmes’ results. Ultimately, making it difficult for NGO X to achieve agreed performance targets with the same donors.

Generally, in 2011 and 2013 in the early stages of harmonised guidelines, NGO X and other NGOs in Malawi anticipated punitive measures for noncompliance with harmonised guidelines. However, over time donors struggled to enforce compliance with harmonised guidelines and there was no evidence of any punitive measures taken against any NGOs for noncompliance. Therefore, some of the NGOs resorted to compromising tactics in the implementation of harmonised guidelines that slowly diffused within the NGO sector.

The inability of donors to enforce the harmonised guidelines is also a factor of government not really taking ownership of the harmonised guidelines. Regardless that harmonised guidelines on paper appear to have been endorsed by the Chief Secretary to the Office of President and Cabinet but the reality on the ground did not reflect ownership of the same document circulated by government. Ownership is one of the major commitments in the Paris Declaration on Aid Effectiveness. Lack of ownership possibly came because the process of developing harmonised guidelines was started and led by a group of the donor community; the Malawi Government was only consulted at a later stage to endorse the process. Alternatively, if the Malawian Government led the process, then involved donors, NGOs and possibly CONGOMA to input and endorse, there would have been likely more country ownership of the process and possibly proper enforcement of the harmonised guidelines supported by both government and the donor community.

Alignment is another principle under the Paris Declaration on Aid Effectiveness that appears to have been missed in the process of development and implementation of the harmonised guidelines. The harmonised guidelines were completely different from the travel allowances guidelines followed by the Malawi government, yet the harmonised guidelines are substantially applied to, or used by, the people who in majority are Malawi Government staff. Therefore, misalignment of harmonised guidelines to the local country travel guidelines could have also contributed to noncompliance, poor enforcement or variations observed at the implementation level.

On the part of donor community in Malawi, the decision they took to come together, then agree and endorse harmonised guidelines does fulfil one of the principles of the Paris Declaration on Aid Effectiveness, namely ‘harmonisation’ (at least on paper) and should be commended as moving in the right direction. However, their inability to successfully enforce the implementation by all partners as shown by the results is a shortfall in the process. Aside from ownership and alignment, discussed above, Søreide et al (2012) highlights other possible factors that could be attributed to this challenge. They noted that donors also compete amongst themselves, consider their national interests, restricted by their home offices/governments regulations and others simply prefer not to harmonise to maintain their autonomy.

This study showed that NGO X strategically responded to requirements of implementing harmonised guidelines with varying degrees that leaned towards partial resistance, especially that there was a different arrangement for its key unit of staff. There is a possibility that other NGOs also employed partial resistance strategies that included acquiescence, compromise, and avoidance. However, inference on other NGOs is only possible if there could be further studies on the issue with large sample size.

Most of the effects on community engagement such as poor commitment of stakeholders, poor participation, disruption of programmes, and poor working relationships could also be considered as forms of resistance. In line with institutional theory, government staff and community stakeholders are also affected by institutions in their environments. Therefore, community gatekeepers and government staff might have viewed harmonised guidelines as an institutional pressure emanating from their environment. Therefore, some of NGO X’s stakeholders opted to resist harmonised guidelines by being less committed or not participating in the community engagement activities. Overall, the government is the custodian of health systems at all levels and the absence of key decision makers in community engagement activities, especially at the district and community levels had negative effects on the coordination and implementation of health activities, especially for NGO X. The case study suggests that NGOs like NGO X that are highly dependent on support in form of resources (funding, technical, time) from stakeholders (donors and community gatekeepers) in the institutional environment will not only passively conform, but over time will shift their responses towards partial resistance.

**Conclusion**

The study aim was to investigate NGO X’s strategic response to harmonised guidelines and the impact on community engagement activities. The study was the first of its kind to look at effects of harmonised guidelines on community engagement in the health sector in Malawi.

The study has demonstrated that harmonised guidelines have resulted in unintended negative effects on community engagement for NGO X and possibly other NGOs that comply. NGOs like NGO X, even though highly dependent on their donors, may initially respond through acquiescence, however, organisational strategic responses for NGOs are not static but change over time. NGOs that initially conform to institutional pressures or expectations may over time change to partial resistance strategies such as compromise and avoidance. These strategic responses provide a more balanced position and safe platform for NGOs to manage uncertainty and expectations coming from multiple stakeholders.

The qualitative study conducted a review of key documents, a few interviews plus observation of one major NGO for a period of four months and this could be a limiting factor in terms of generalisation and policy changes. In addition, observations were not done with other NGOs interviewed and even those done with NGO X could have been limited by some of the NGO X staff that possibly remained suspicious of the researcher during field observations for fear of being reported to their senior management or external institutions if there was any practice contrary to harmonised guidelines or NGO X policies.

Importantly, the study has contributed to the provision of in-depth understanding of the effects of harmonised guidelines on community engagement and unravel practical issues in the development sector. Overall, the study contributes with depth to the problem of per diem allowances and challenges in the implementation of policy instituted in response. The study has documented and raised issues donors, NGOs, government and other relevant parties or policy makers need to know. In addition, the study has also managed to contribute to knowledge and build on previous studies that have been calling for donors and governments to intervene or develop policies to deal with problems of allowances or per diem culture in the international development sector. However, more research is required to understand best approaches for developing and implementing related harmonised policies to manage challenges of per diem allowances in the international development sector.

**Disclosure of interest statement**

No conflict of interest.

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1. Community engagement is

…the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people(CDC, 1997: 9 –in CDC, 2011: 3). [↑](#footnote-ref-1)
2. The group of donors includeAfrican Development Bank, Canadian High Commission, DFID, and Delegation of the European Union to Malawi, Flanders International Cooperation Agency (FICA), German Embassy, Icelandic International Development Agency (ICEIDA), Embassy of Ireland, Japan International Cooperation Agency (JICA), Royal Norwegian Embassy, United Nations, U.S. Government, and World Bank [↑](#footnote-ref-2)
3. Ownership refers to “*partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions”* (OECD 2008, 3). [↑](#footnote-ref-3)
4. Alignment refers to “*donors base their overall support on partner countries’ national development strategies, institutions and procedures*” (OECD 2008, 3). [↑](#footnote-ref-4)
5. Malawi Government staff on two different grades (e.g. a driver and professional officer) when using government funding are provided with different rates of daily subsistence allowances yet on the same trip. [↑](#footnote-ref-5)
6. Full board is an arrangement whereby everything participants need (accommodation and meals) is catered for and directly paid to the suppliers of the services by the organiser of an activity (e.g. training/workshop) [↑](#footnote-ref-6)