

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE **A** (A = Add, C = Change, D = Delete) Amendment Number _____ DOCUMENT CODE 3

2. COUNTRY/ENTITY: Worldwide

3. PROJECT NUMBER: 936-5451

4. BUREAU/OFFICE: S&T/RD

5. PROJECT TITLE (maximum 40 characters): Implementing Policy Change

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 12 DD 3 YY 1996

7. ESTIMATED DATE OF OBLIGATION (Under 'B' below, enter 1, 2, 3, or 4): A. Initial FY 90 B. Quarter 3 C. Final FY 95

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total : CORE	276		276	5,200		5,200
(Grant)(S&T)	(276)	()	(276)	(3,600)	()	(3,600)
(Loan)	()	()	()	()	()	()
Other U.S. 1. (Bureau for Africa)				(1,600)		(1,600)
2. Other R.B & USAID Missions				13,900		13,900
Host Country						
Other Donor(s)						
TOTALS	276		276	19,100		19,100

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	701	720		-0-		2,400		2,400*	
(2) EH	701	720		-0-		1,200		1,200*	
(3) DFA	701	720		-0-		1,600		1,600*	
(4)									
TOTALS						5,200		5,200	

10. SECONDARY TECHNICAL CODES (maximum 5 codes of 3 positions each): 721

11. SECONDARY PURPOSE CODE: 797

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each):

A. Code	RDEV	INTR	PART	TNG
B. Amount				

13. PROJECT PURPOSE (maximum 480 characters):

To support LDC organizations in designing management strategies for policy change, and in managing the process of implementation.

14. SCHEDULED EVALUATIONS: Interim MM YY MM YY Final 05 94

15. SOURCE/ORIGIN OF GOODS AND SERVICES: 000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

*Figures subject to change in accordance with OYB allotment process. Total will remain the same.

17. APPROVED BY: Signature: Eric Chetwynd, Dir. (Actg) Title: Office of Rural & Inst. Dev. Bureau for Science & Techn. Date Signed: MM 03 DD 21 YY 94

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

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Glossary

Action Research - An iterative cycle of data collection, situation analysis, diagnosis, planning, action, data feedback, analysis, diagnosis, planning, action, etc. It is a purposeful change process in which the analysis of data leads to diagnosis, a plan for change, and a testing of that plan by the ensuing action. Each planning step is based on a new hypothesis as to what the next action step will produce, and that hypothesis is then tested by action. It is a learning process throughout. Some might call it a sophisticated "trial and error" process of learning. In the international development arena, action research is always a collaborative process involving responsible host country individuals and persons engaged in collaborative assistance in the effort to accomplish some development goal which involves change in the pattern of doing things.

Facilitate - To help forward an action or a process (Dictionary). Within the context of this document, the term applies to provision of a service which makes it easier for others to perform needed tasks, the tasks being those essential to implementing a policy choice.

Facilitator - A person particularly skilled at creating an interactive environment in which people of diverse interests and motivations work together constructively to achieve a common purpose. In this document, that purpose is carrying out a policy choice. The facilitator never commands or orders, but seeks to make it easier for those who have the responsibility for action to receive support and voluntary cooperation so that desired actions are taken without the necessity of command. This is particularly important in many policy implementation situations in which individuals and organizations, including groups of people, are not subject to command of the responsible manager.

Framework - A series of steps to be taken in preparation for any policy implementation effort. The steps focus attention on the important and priority concerns essential to successful implementation. The steps are five in number and may involve a variety of subsidiary steps. The actions required and the analyses undertaken are open-ended, and while they are in a logical order, that order is not essential to their utility. Critical to the use of the framework is the learning and discovery process involving a highly participatory and collaborative endeavor on the part of all essential stakeholders in the policy implementation effort. The framework, as well as the learning process approach is described in detail in Louise White's paper which constitutes the technical analysis of this Project Paper and appears in Annex I.

Influence - "To cause a change in the character, thought, or action of; to have an effect upon" American Heritage Dictionary. Policy implementors often have to influence the actions of others because they do not want to control them or have no control over them, but their cooperation and participation is essential to achieving implementation objectives.

Learning Process - See Framework.

Manager - An individual responsible for organizing and allocating resources and ordering actions to achieve specific ends. A policy implementation manager, be he political leader or civil servant, is a person responsible for mobilizing resources and commanding actions to carry out a policy choice.

Ownership - The feeling on the part of an individual or group that a decision, plan, or action belongs to that individual or group. Ownership implies not only understanding and agreement, but active participation in the process of arriving at that understanding or agreement or in taking a particular action.

Policy - "A plan or course of action designed to influence and determine decisions, actions, and other matters." American Heritage Dictionary.

Policy Analysis - Analysis of the effect, or expected effect, of alternative policies when implemented. A broader definition involves such analysis with consideration given to the expected impact of policy alternatives on the political, economic, cultural, institutional, technical, and organizational environment when each alternative is implemented.

Policy Choice - Election among policy alternatives to achieve a desired goal. This is normally done after analysis of the expected consequences of the various alternatives. No choice is automatic; it requires an evaluative human intervention. No choice is self-implementing; to achieve a desired goal, implementing actions must follow the choice.

Policy Implementation - Taking the actions required to give effect to a policy choice. This can be as simple as the Central Bank director telling his subordinate officials to charge borrowers a higher interest rate, say 7 rather than 6 percent. At the other extreme are the literally millions of action steps required to put a man on the moon, once the decision to do so had been made. All these steps had to be strategically managed, the entire effort sequentially orchestrated, with a vast array of organizations involved. Many development policies are equally difficult to implement, not because they involve so many different steps or actions, but because they require changes in the patterns of human action or behavior, often in the face of political or cultural opposition.

Stakeholder - Any individual or group having a direct interest in the outcome or consequences of a proposed course of action or policy choice. Stakeholders include those public officials making decisions as well as all the individuals and groups, public and private, affected by those decisions.

Strategy - A plan, method, or series of actions for achieving a specific goal. Often identified with the military, it is distinguished from tactics, which is the use of a particular method or type of action to achieve a limited objective. Grand strategy suggests an overall plan with many sub-components or subordinate plans whose coordination is a key managerial task.

Strategic Management - "Orchestrating congruence" among many diverse activities all of which have to be prioritized and performed in the correct sequential relationship to achieve an important objective. In policy implementation, design of strategy is a major planning process often requiring the creation of a number of sub-strategies to obtain the desired actions by a variety of different groups and organizations in the policy environment. Some key elements may be under the manager's direct control, others may require a strategy of negotiation to obtain needed performance, still others may have to be influenced or persuaded rather than directed or negotiated into carrying out the desired action. Design and execution of the various strategies in the proper sequence to assure the successful achievement of the policy goal is the task of strategic management.

IMPLEMENTING POLICY CHANGE PROJECT

1. Project Summary and Recommendations

The objective of the Implementing Policy Change (IPC) Project is to improve the policy implementation performance of LDC managers through their use of strategic management processes and methods. The project will focus on the implementation of policies designed to promote broad-based income growth, particularly in situations where desired new policies are difficult to put into effect through traditional organization structures and management practices. Cross-cutting policies at macro and sectoral levels will receive project support, with special attention given to those whose objectives include natural resource conservation.

To these ends, the project will employ strategic management based on a framework and learning process which LDC policy leaders and managers can use to assess a policy situation, its options and constraints; develop strategic implementation plans; shape and initiate operations; and promote coalitions needed for carrying them to a successful conclusion. (See Strategic Management Framework and Process and Technical Analysis, Appendix 2.)

The IPC Project will:

- * Help LDC leaders and managers apply the strategic management framework and learning process in actual policy situations, thereby developing those analytic and managerial skills and processes essential to implementation effectiveness.
- * Utilize the strategic approaches to help government organizations (a) modify their purposes, structures, activities, procedures and performance; and (b) influence and collaborate with other organizations and groups in the policy environment, where some or all of these steps are necessary to successful policy implementation.

The IPC is a follow-on project to the Performance Management Project (PMP), which addressed the management and organization of LDC development programs and means for their improvement. In response to the recommendation of PMP's evaluation, the broad and multifaceted subject of the old project is substantially narrowed in this strategic management project which follows, and it is focused on an area of priority A.I.D. concern: policy change.

The new project's framework and learning process, its approach to technical cooperation, and its access to LDC management resource institutions build on the experience gained and the linkages established in the course of the predecessor project and its related activities.

The project will be jointly funded by USAID Missions, S&T/RD, and regional bureaus, particularly the Bureau of Africa to address the needs of African countries for long-term work in carrying out the policy changes fostered by the Development Fund for Africa.

This project complements and supports the work of economic and sector policy analysis, and will not duplicate policy studies performed by others. It will, nevertheless, influence policy choice by assessments of the feasibility of implementing proposed policies, and by assistance in the process of policy adoption.

The IPC Project will employ technical Cooperation (TC) to assist LDC managers and organizations to use and apply the framework and learning process to achieve greater success in implementation. Research will test and guide modification of this framework and process, using the framework to structure both substantive and process findings from the project's comparative experience, as well as from other comparative data and collateral research.

The project will undertake long-term technical cooperation in eight countries to help host country implementation managers adopt and utilize strategic management processes to carry out policy changes. "Long-term" refers to on-going work in a single country, whether this is accomplished by a series of iterative consultations over a period of years or by the assignment of resident advisors should this be in the interest of effective implementation. It will also undertake diagnostic, introductory, or trouble-shooting short-term technical cooperation with governments and consultation with USAID Missions during the first two years of the project, and a reduced number of such consultancies in subsequent years.

Ownership by the LDC managers of the learning processes involved in strategic management and of the decisions made through their use are of prime importance to successful policy implementation. Therefore, the IPC Project's Technical Cooperation will emphasize leadership by responsible managers in its individual and group approaches to analysis, decision-making and learning. Such interaction will facilitate thoughtful mastery of the iterative assessment, planning, and decision-making aspects of strategic management of policy change.

The project will develop regional networks of practicing managers and specialists for exchange of knowledge, experience, concepts, and opinion about policy analysis and implementation, for identifying resource people, and for stimulating continuing attention to subjects of IPC concern.

The IPC Project will enlist collaboration on the part of LDC management resource institutions in its technical cooperation and research. Such institutions include universities, management institutes, and consulting firms. Individual LDC specialists will also be enlisted even though not currently identified with a resource institution. The project will thereby benefit from the expertise and insight of these resources while at the same time increasing the relevance and strengthening the quality of resource institution programs for current and future support of policy implementation.

The IPC Project's Phase I will be financed from three sources. S&T/RD will finance core costs. USAID Missions will "buy in" to the project to finance most of the costs of long-term technical cooperation in eight

countries. Regional Bureaus, S&T/RD, and USAID Missions will share in financing:

- (a) diagnostic or "trouble-shooting" consultations to USAID Missions;
- (b) "problem-solving" short-term consultations to LDC organizations; and
- (c) research grants to host country or regional resource institutions for special studies needed for implementation analyses.
- (d) regional networks for professional exchange and conduct of dissemination seminars.

S&T/RD will finance core research, whereas USAID Missions and Regional Bureaus will finance additional research which concerns them particularly.

Estimated costs for Phase I are \$5,200 million core funds, (\$3.6 million for S&T and \$1,600 million for the Bureau for Africa), \$.8 million for other Regional Bureaus, and \$13.9 million for USAID Missions. S&T's planned FY 90 obligation, including \$32 thousand OYB transfer from the Bureau for Africa, is \$308,000.

A ten-year project is anticipated, but only a six-year Phase I is planned in the Project Paper. The life of project will extend into the sixth fiscal year, but the implementing contract, which begins in the first fiscal year, will be for only five years. Planning of Phase II of the project will depend upon the conclusions of a project evaluation in year four.

End of Project Status

The project will have achieved its purpose if:

1. LDC governments and private organizations in eight countries have demonstrated use of strategic management, analysis, decision making, and processes to strengthen policy choice and implementation.
2. LDC governments and private organizations have adopted new roles, improved procedures, and influenced and collaborated with other organizations to achieve better implementation performance.
3. The project's intellectual products have made a significant contribution to knowledge about policy implementation processes, and such knowledge has both improved policy change methods and practice and informed the discussion of policy implementation issues in development circles.
4. Six host country or regional resource institutions have contributed usefully to policy implementation endeavors.

Outputs

The following outputs should produce the end of project status described above:

1. Employing strategic management approaches and behavior, LDC managers orchestrate resources, incentives systems, technology, skills, and coalitions to carry out priority implementation tasks.
2. LDC management resource institutions and consultants learn and use strategic management concepts and practices (see pages 17-21); they help LDC implementation managers apply them.
3. Application of the IPC technical framework generates knowledge and experience which are fed back to modify, refine and improve the approach.
4. Research findings and guidance materials are prepared and disseminated.

Recommendation

It is recommended that the Implementing Policy Change Project be approved and funding be authorized at a level of \$3.6 million, S&T funds. It is also recommended that the level of authorized buy-ins by Regional Bureaus and USAID Missions be set at \$15.5 million.

2. Project Rationale and Description

2.1. The Problem

In many parts of the developing world, current macro economic and sector policies bear a major responsibility for deteriorating economic vitality, quality of life, and effectiveness of both public and private development programs. Often, existing tax policies inhibit private investment and discourage the formation of new enterprises. Commodity pricing policies distort agricultural production or even discourage production of basic foodstuffs. Policies to preserve woodlands or soil from erosion fail to provide incentives to encourage individual or small group preservation efforts. Currency control policies often limit imports of new industrial equipment to those intended for public enterprises or exclude items needed for repair and maintenance of critical equipment and machinery. Frequently, budget policies so seriously limit operating funds that personnel are unable to perform their functions for lack of materials and supplies.

The reality of this situation has been recognized by many of the countries themselves and also by cooperating donor organizations. Consequently, a major current thrust of development programs seeks to put new and better policies in place. The effort to do so has been strongly supported by international financial institutions as well as by the U.S. Agency for International Development.

Despite careful policy analysis and the adoption of promising economic and sector policy changes over the past several years, many of the expected benefits have failed to materialize owing to inability of the responsible governments to carry out the policy changes they have chosen. As a consequence, economic and social conditions have continued to deteriorate and the poor majorities of many of the countries find themselves in worse circumstances than before.

There is ample evidence that delays and failures in policy implementation are common. A.I.D. Missions attest to this in their cables regarding the proposed IPC Project. (See Annex 3.) World Bank studies indicate substantial delays in getting many loan projects started, often as a consequence of host country managerial deficiencies and/or political obstacles. Research on policy reform and structural adjustment has produced frequent references to "institutional factors" that impede policy implementation or create constraints that prevent realization of the benefits of changed policies.

Responsibility for implementing policy changes lies with LDC public sector organizations whose capacity to carry them out is often challenged by the very nature of the change required and by impinging social, cultural, economic, and political factors. The IPC Project will concentrate organization and management expertise on enabling and supporting LDC officials and their private sector counterparts in managing policy implementation in light of these impinging and constraining factors. It will bring to bear strategic management knowledge and experience in organizing new methods, approaches, and processes that can facilitate the entire im-

plementation effort. Thus effectiveness of the project will constitute a major contribution to the shared goals of policy change for increased, broad-based income growth.

The project's rationale is based not only on the importance of policy implementation, but also on the necessity of analysing what capabilities are required on the part of responsible organizations to carry out effectively the change process. Further, it posits that the knowledge, methods, and approaches of the predecessor Performance Management Project provide a sound basis for organizing a new project specifically to facilitate policy implementation by responsible LDC organizations.

Immediately following the presentation of Project Structure is a section (2.4, page 19), designed to assist understanding of the project's rationale. It is sufficient here to note that a framework to be employed in a process of participative consultation and learning involves five steps. These steps are: (a) arrival at agreement on a process for developing implementation strategy, (b) mapping or assessing the policy content and the setting in which it must be implemented, (c) identifying strategic issues, (d) designing implementation strategy to deal with each of the issues, and (e) designing a process for monitoring results and making ongoing adjustments. Use of this framework, as well as the participative learning process with which it is applied, can enhance the prospects of successfully achieving policy change objectives.

The explanatory section identifies the special dimensions of implementation analysis, as distinguished from policy choice, and points to the importance of strategic management in designing and carrying out policy change. The section also summarizes cabled responses from USAID Missions to the AWIDE cable regarding the IPC Project.

2.2. A.I.D. Policy

The IPC Project will make a significant contribution to two inter-related A.I.D. program goals: a) improved benefits for cooperating countries from both their development investments and operating expenditures through sound and well-implemented policies, and b) increased broad-based income growth. Instrumental to the project's support of these policies, and furthering A.I.D.'s policy goal of institutional development, the project will improve the effectiveness and efficiency of host country institutions. Intrinsic to the project's rationale, with its emphasis on host country "ownership" of strategic management processes and the building of host country management capacity, is emphasis on sustainability, another key Agency concern.

2.3. Project Structure

2.3.1 Project Goal

Less Developed Countries implement policies that enhance broad-based economic growth.

2.3.2 Project Purpose

LDC organizations design collaborative, broad-based management strategies for policy change, and effectively manage the process of implementation.

2.3.3. End of Project Status

The project will have achieved its purpose if:

1. LDC governments and private organizations in eight countries have demonstrated use of strategic management, analysis, decision making, and processes to strengthen policy choice and implementation.
2. LDC governments and private organizations have adopted new roles, improved procedures, and influenced and collaborated with other organizations to achieve better implementation performance.
3. The project's intellectual products have made a significant contribution to knowledge about policy implementation processes, and such knowledge has both improved policy change methods and practice and informed the discussion of policy implementation issues in development circles.
4. Six host country or regional resource institutions have contributed usefully to policy implementation endeavors.

2.3.4. Outputs

The following outputs should produce the end of project status described above:

1. Employing strategic management approaches and behavior, LDC managers orchestrate resources, incentives, systems, technology, skills, and coalitions to carry out priority implementation tasks.
2. LDC management resource institutions and consultants learn and use strategic management concepts and practices (see pages 17-21); they help LDC implementation managers apply them.
3. Application of the IPC technical framework generates knowledge and experience which are fed back to modify, refine and improve the approach.
4. Research findings and guidance materials are prepared and disseminated.

2.3.5. Project Inputs

2.3.5.1 Long-term, iterative, technical assistance for eight countries; introductory, short-term technical assistance and training for twelve countries.

Technical Assistance: Scope - Technical cooperation (TC) teams, each selected to deal with the special circumstances applicable in the identified policy implementation situation, will provide assistance in support of strategic management and operational improvements for policy change implementation. The teams will be composed of U.S. and host country specialists.

In its continuing, "long-term" work within a country, the IPC Project's technical cooperation will aim at both short-term results and long term systemic benefits. It will help governments deal with pressing decisions of the moment and also develop sustainable capacity for policy-oriented strategic management. To achieve these longer-range benefits, an extended engagement is important. The project will rely on long-term work in eight countries.

An extended engagement will entail iterative visits by IPC Project technical teams for intermittent work on a plan of technical cooperation. In some cases, visiting teams will work in conjunction with resident advisors, as well as host country specialists. When project staff are assigned in-country, they will provide the same facilitative consulting and training services as do visiting teams. Their residence will enable them to prepare for and follow up the work of visiting teams and to provide complementary consultancy, training, and research with greater scheduling flexibility.

The amount of time IPC Project teams spend with any LDC activity as well as the size and composition of IPC teams, will depend upon the nature of the implementation situation, the degree of interest and initiative taken by host country organizations, the interest of USAID Missions, and the availability of funding, among other factors. IPC teams may provide approximately four TDYs a year in long-term collaborating countries without a resident team member, during which they review past activities with host country implementors, jointly undertake new tasks, and plan future work to be conducted by the host country organizations themselves. On the other hand, IPC teams may also involve the full-time work of resident advisors as well as host country specialists.

IPC teams may work with only one organization on one aspect of policy change, or in contrast, the teams may address interrelated questions faced by more than one government implementing organization and by corresponding private sector and non-governmental organizations. They may work at several levels in the organizations and on multiple questions. They may devote considerable time to establishing sustaining support from host country resource institutions.

During the first two years of the project, however, its TA com-

ponent will: (a) meet requests for diagnostic or "trouble shooting" consultations with USAID Missions on policy implementation issues, and (b) provide teams for short-term technical cooperation activities. The latter will be undertaken only if there exists, from the USAID perspective, the possibility of the project continuing with follow-up work in the country involved. That is, there must be both potential interest in supporting a continuation and the possibility of funding. Aside from their other benefits, short-term activities serve as a means of exploring host country interest in resolving critical implementation problems, and establishing the basis for further work between the project and host country officials.

In the middle and later years of the project, short "dissemination seminars" and briefing sessions may be held in countries where the IPC Project has done no work. Such seminars or briefing sessions may be conducted for USAID Missions, AID/W, Congress, other donors, or LDC organizations at any point in the project upon request.

Technical Assistance: Subjects for Concentration - In determining the type or scope of policies for which implementation assistance would be provided, the design staff carefully considered focusing on such particular sectors as agriculture and rural development and natural resources. Information received from USAID Missions emphasized their experience that implementation issues were often macro and multisectoral in nature. Not only did a number urge against focusing on particular sectors, but several indicated that limitations such as the ones mentioned above would exclude them from participating in the project altogether. This expression of view coincided with knowledge already in hand as to known implementation problems. It was decided, therefore, to reject limiting implementation scope to any particular sector or level of development activity. It is well known that many if not most implementation efforts cut across two or more sectors and often involve macro issues.

Normally, the project will support change efforts that represent "problem sets", or systems of cause and effect across disciplines and organizations. The purposes of the new policies may be: liberalization of markets, stimulation of agricultural production, conservation of natural resources, privatization of productive functions, increased exports, establishment of fiscal responsibility, or greater government efficiency in carrying out development activities.

Most of these policy areas cut across activities of several government agencies and are not limited to a specific organization. Nevertheless, one organization, or a hierarchy, will in most cases have primary implementation responsibility, and there will be dominant economic or sectoral technologies to take into account.

A general criterion will nevertheless be used in considering a policy for implementation assistance. This is that the policy must offer the possibility of broad-based economic and income growth. There must also, of course, be funding available to support implementation assistance. Additional criteria to be applied include:

(a) The policy must be susceptible of implementation and capable of demonstrating measurable results within a time frame of two to five years. This criterion in effect eliminates social development policies whose impact or income benefits are in the distant future.

(b) Policies designed to conserve natural resources will be given particular consideration if other criteria are met.

(c) Policies should present critical implementation issues or problems that will challenge the strategic management framework and process.

(d) Policy changes that offer opportunity for implementation concerns to be raised during the process of policy choice or selection of policy alternatives are particularly suitable.

(e) There must be host country will and leadership to make and carry out policy change. This does not imply that the policy change must be popular or without opposition or challenge.

(f) Policy changes that move a country toward free markets and private sector growth will be favored.

(g) Policy changes with potential regional significance, say in Francophone Africa, Central America, or South Asia, are desirable because of multiplier effect.

The policy change focus in the different geographic regions was discussed at length in the PID. There are many similarities and great overlap, but also significant differences reflecting cultural, political, and state-of-development factors. Country differences within a region are often greater than the inter-regional differences. The IPC Project is designed to improve knowledge Agency-wide and to test the strategic management framework and method on a comparative basis. No regional limitation will apply; on the contrary, an effort will be made to carry out long-term collaborative assistance in all regions. However, inasmuch as the Bureau for Africa has been heavily involved in the IPC Project development and has expressed major interest in utilizing it, several long-term assistance efforts will be conducted in that region.

The project will provide technical cooperation for:

(a) The process of policy adoption. This includes assessment of the organizational, managerial, and political implications affecting the feasibility of implementing specific policy options in a given country.

(b) Design of implementation strategy. This involves a highly participative process for both identifying and prioritizing a set of elements basic to carrying out the specific policy in question. A systems approach can help identify all operational components, critical stakeholder groups, information requirements, resource needs, and so on. The outcome desired is a strategy agreed upon by the significant parties for dealing with each of the factors critical to implementation success. Many of these factors may be specific to the technical field in which the policy change effort is being undertaken, and the participation of specialists in the affected field will be required.

A major aspect of the design process is analysis of the alternative organization entities for carrying out each or all aspects of the specific policy in question, as well as issues of procedure, timing, and pace. Part of the design, of course, is a sound monitoring and evaluation system.

Each step of the above strategic management planning process must be accomplished with appropriate leadership by the responsible host country implementors, as well as with the involvement of affected stakeholders and interest groups.

(c) Active assistance in conduct and monitoring of the implementation process. Although a part of the design process as well, it is during this stage that action research comes more fully into play, as each step is monitored and evaluated as to its utility and effectiveness. Problems will arise that require structural alterations, rethinking procedures and processes, new supervisory practices, or development of management information systems. On-the-job training (OJT) or special seminars may be required to guide personnel in new methods and procedures. This stage of assistance is a continuous and iterative process that can and should lead not only to successful implementation, but also to adjustments and fine tuning of the implementation strategy.

Technical Assistance: Team Composition - Technical assistance teams will be composed of (a) both U.S.-based and LDC strategic management specialists, (b) specialists in the functional, organizational, or policy area on which the team is concentrating, which may include financial management, small business development, privatization, or other sector-specific subjects, (c) specialists in consultation methods which enable growth, leadership, and "ownership" by host country participants in the development of collaborative outputs; and (d) other specialists as may be required. The project does not intend to provide economic policy analysis specialists, since existing mission or central projects generally cover this need.

To the greatest extent possible, and compatible with top quality team composition, specialists from host country and regional management resource institutions will be utilized as team members. The purpose of this is to give them ownership of the strategic management technology involved and experience in its application so that a sustainable resource competence is created, as well as to draw on their special knowledge.

Technical Assistance: Team Entry - The beginning of the IPC Project's long-term work in any country may be initiated by:

(a) Brief one-or-two-person reconnaissance missions to help host countries diagnose policy problems and implementation issues and to recommend what further assistance would be most helpful to meet specific needs.

(b) Response to a request for long-term work, possibly as a follow-up to preparatory work done by others, including the USAID Mission;

(c) Short-term assistance with a known policy implementation restraint, for example the inability of the financial management system to respond to policy requirements, or to deliver resources in an adequate amount and timely manner to meet the policy implementation needs of one or another sectoral agency. The technical team might organize analyses, joint planning efforts, new procedures, and on-the-job training, all focused on this particular problem and utilizing the strategic management framework and process. Such work may then be followed or complemented with attention to related or new policy implementation constraints, and thus lead to a long-term implementation relationship.

Technical Assistance: Method - Technical assistance teams will use individual consultation, group consultation, workshops, joint analyses of implementation issues and problems, training exercises, and joint action research endeavors to assist host country implementing organizations analyse, plan, reorient, and restructure, (when necessary), in order to schedule and carry out implementation steps and procedures. In so doing, the teams will enable staff of implementing organizations to use the framework and learning process to develop the systems and skills, not only to perform their own choice and implementation functions, but also to involve successfully private sector organizations whose cooperation or response is required for a policy to be carried out.

Implementors are to use the IPC Project to enhance their own ability to make judgements and to take steps for implementation. Therefore, IPC specialists must demonstrate to implementors that they can provide this kind of support, and follow-through with methods and strategies which support strengthened performance by "client" implementors. While the methods and strategies used may differ from case to case, they will all be designed to encourage iterative analysis and action and to facilitate

mutual, cumulative learning through doing. These methods will avoid dependency and substitution relationships. They will employ both substantive knowledge and process skills to enable joint analysis of resources, constraints, information needs, and means of access to outside knowledge. They will clarify options and facilitate planning, organizing, and managing implementation tasks, while at the same time reinforcing skills development.

As to strategic management concentrations, IPC technical cooperation will support elements of the strategic management of policy change which are listed in section 2.4, page 22.

2.3.5.2 Technical Assistance for and collaboration work with six LDC country or regional management resource institutions.

Technical Assistance: Approach - Faculty and/or staff of appropriate support institutions will be incorporated into the assistance teams as working members to become thoroughly involved in and familiar with the project's framework, learning processes, and methodology. In this role, the members will participate actively in providing assistance to government organizations responsible for policy implementation and thereby improve consulting skills and acquire access and acceptability for future assistance efforts.

With respect to host country or regional resource institutions, the IPC Project will: (a) incorporate, as mentioned above, their faculty members on technical assistance teams, (b) finance strategically-oriented executive training courses for implementors to be held in their facilities, (c) make capacity-building research grants to them, the research to be focused on implementation issues critical to effective implementation in the host country or region, (d) encourage host country governments and USAID Missions to purchase needed implementation research from them, and (e) team them with US universities for the initial work on any of the above activities. Project management will develop criteria and a plan for ranking and selecting proposals for research grants. The plan for awarding the grants will reflect input from the contractor's project manager, the S&T project officer and the Project Committee. The plan must be acceptable to the A.I.D. unit which finances the grant and to the USAID Mission in the country where the research will take place (if they are not the same).

2.3.5.3 Regional networks are formed to provide interchange of information and experience and build collaborative relationships among responsible policy managers and professional resource people.

Collaboration: Method - Annual workshops and conferences will be organized or supported in which experiences and case studies of implementation are discussed among policy managers and representatives of resource institutions from the same LDC region, and participants will be encouraged to form permanent networks for exchange of information and knowledge about how best to manage policy implementation efforts. LDC leadership of the workshops, conferences, and networks, and an atmosphere

which promotes frank discussion will be important to their usefulness.

The IPC Project will use existing U.S. networks of development management specialists, which are in part an off-shoot of PMP project activities, as a forum for annual review of its intellectual products. For example, the Development Management Network uses the occasion of the annual meeting of the American Society for Public Administration to hold a two-to-three-day workshop, and members conduct a number of the Society sessions as well. International specialists, though predominantly from the United States, participate in very interactive discussions. Annual presentations at these meetings will provide low-cost access to the insights of specialists from the international agencies, U.S. non-government agencies, and universities. They provide opportunities as well to identify prospective project cadre, hold informal discussion of project outputs and issues, and disseminate ideas to a wide and important audience that would be difficult to access in any other way. Similar use may be made of U.S. policy analysis fora.

Other low-cost linkages with specialists at the World Bank, its Economic Development Institute, the United Nations Development Program, and donor agencies from other countries will be maintained as well. A number of these sponsor or assist management networks in the LDCs, and the annual meetings of the International Association of Schools and Institutes of Administration bring representatives of many of these organizations and networks together.

Locally sponsored, regional newsletters will be supported as a means of regular communication and dissemination of policy implementation activities and experience, and to call attention to new materials on the subject as they appear.

2.3.5.4 Research on strategic management issues and problems.

Broadly speaking, all research to be conducted by the IPC Project is applied research. The division of research into action, comparative, applied, and adaptive has been made to clarify different types or streams of research activity, all of which interrelate and feed into achieving the major objective of policy implementation effectiveness.

The project will seek to demonstrate that adoption of the framework and learning process for strategic management significantly improves policy implementation effectiveness in different subject areas and geographic and cultural contexts.

Demonstrating the usefulness of the strategic management framework and process is not an easy undertaking. Baseline data must be collected and categorized in each implementation effort. Useful and realistic indicators must be determined by which the implementing organization can measure progress on the various implementation thrusts of each situation, and these criteria or indicators need to be standardized to the extent possible across projects, countries, and regions for similar types of policy change effort.

It may be assumed that when policy change efforts are not moving well, or there is a history of implementation failure, and application of the strategic management framework and process produces good results, the method is effective. When this result is repeated in a variety of situations and settings, inferences of effectiveness are reinforced.

Research Products Expected - Products from the overall research effort which will help determine the usefulness for policy implementation of the strategic management framework and learning process or indicate the need for their modification include:

- a. A structure of policy implementation performance and process indicators for different types of policies which is useful to implementation managers as well as to the Project's action and comparative research agenda and to its evaluation;
- b. Assessments of comparative experience under the IPC Project in relation to implementation of similar types of policies in various settings to be incorporated into case studies and comparative research findings;
- c. A new or revised paper on the framework and learning process which provides the basis for modifying, qualifying, refuting, or elaborating aspects of the original paper where experience has shown the need to make such changes.

Action Research - Periodic, structured reflection and analysis by the technical cooperation team participants, including host country implementation managers and specialists, will guide planning and action and thereby increase the learning and capability of both TC participants and outside facilitators. Subjects which implementors and their IPC teams will periodically assess when preparing for each new phase of work include: (a) the progress and process of implementation, (b) the knowledge and information generated, (c) the usefulness of the IPC framework and learning process for implementation, and (d) the effectiveness of IPC Project support in the implementation effort. The fundamental cycle of planning, action, measurement of results, evaluation, and replanning will be repeated again and again. Taken together the results of these cycles will constitute a major input into the project's research effort.

Although action research implies a careful and constant monitoring of progress in relation to suitable performance indicators, the importance of this cannot be overstated. The framework includes a corrective mechanism to readjust strategy and tactics whenever those being employed do not achieve their objectives, produce unwanted outcomes, or fail to maintain suitable momentum. Failure to take corrective measures when needed can easily cause the framework and process to appear flawed.

The monitoring process required for successful action research provides an excellent data base and paper trail for project evaluation.

This is critical for the planned full field evaluation in the fourth year of the project.

Research Products Expected - An annual report from each implementor/IPC Project country team will summarize highlights from the action research undertaken and provide baseline data and indices of achievement. The annual reports will be used for future reference, for reports to funding offices, for case studies, and for project evaluation. In order to facilitate comparisons between types of policy changes, countries, and years, reports will be structured around analytic typologies and categories suggested by the IPC Project framework.

Comparative Research - Annual reports and comparative case studies, both using the strategic management framework for policy implementation, will enable contractors to adjust strategies and methods for better performance. Specific studies, as part of the technical cooperation process, will utilize baseline data and indices of progress to measure implementation in different country and cultural situations, in different policy areas, and under varying sets of implementation constraints. Where possible, useful comparisons will be made between such factors as the nature and condition of the state, the economy, the private sector, types of policy change undertaken and the implementing organizations involved, the degree and speed of change entailed by the new policies, political and cultural factors at work, the role of leadership, and the different approaches to policy change with their corresponding implementation results. Such studies will add greatly to the available literature on the subject of managing policy implementation as well as significantly assist in determining the the value of the project's framework and learning process.

Research Products Expected

a. Case studies from each "long-term" engagement which are developed from the action-research annual reports, using a structure developed from the project's framework and learning process.

b. A comparative study based on the case studies and such collateral data as the project management (S&T, contractor and Project Committee) agree to include.

Applied Research - Applied research serves at least two purposes as indicated below:

a. To support technical cooperation - The IPC Project will require a variety of applied research efforts in any given technical collaboration situation. These may include, for instance, the collection of baseline data on a number of subjects related to the policy area in which change is contemplated; assembly and review of laws and regulations af-

fecting the policy subject or the implementation issues raised by the policy shift; survey of stakeholder interests and concerns; mapping of processes and steps involved in present procedures which must be changed to achieve effective implementation; appraisal of policy impact to determine the degree or extent to which change objectives are being accomplished, or if negative consequences are being encountered. All these involve the application of existing concepts and techniques to the gathering and analysis of information needed to solve specific implementation problems.

Research Products Expected - These remain to be determined and to be delivered in the course of technical cooperation.

b. Lessons from Technical Cooperation; Theme Papers on Recurrent Issues - Throughout the course of the project, in conducting both short and long-term implementation interventions, project staff will monitor specific research themes for development into applied research papers or monographs for publication. Five recurrent issues to be developed into theme papers on policy implementation, include:

- (1) Processes of changing organizational roles and restructuring the organizations themselves as an element of policy implementation.
- (2) The financial management dimensions of policy implementation.
- (3) Managing the reallocation of benefits and rewards among stakeholders in the implementation process.
- (4) The management role in addressing the political and cultural dimensions of policy change.
- (5) Creative approaches to incentive systems for motivating attitudinal and behavioral change among individuals and groups involved in policy change..

Whenever possible, the IPC Project will utilize host country management resource institutions and personnel for applied research tasks. The purpose is not only to reduce costs, but to achieve the more important objective of building research capacity in the host country. In most cases, a collaborative research effort is likely to be required.

Research Products Expected - Five theme papers or monographs.

Adaptive Research to Support Technical Cooperation and Other Research - This form of research (a) identifies current or completed research by persons not related to the project but which is relevant to dealing with particular intractable problems faced by implementors of policy changes; (b) makes such material, literature, or summaries there-

of, available to implementing teams or supporting institutions; or (c) adapts it and tests its usefulness in the implementation situation. Adaptive research is intended to complement and enrich long-term implementation activities, but should be useful also to a broader audience, which includes many professionals concerned with implementation management.

The contractor, S&T/RD, and the Project Committee will designate by the second year of the project the problem areas for focusing research monitoring and adaptive research. These determinations will be made on the basis of the potential usefulness of the research to the understanding of current or common issues. Adaptive research papers could address, for example, any of the following subjects, or others of a comparable nature:

How much organizational change, how fast, and in what kinds of settings is advisable and/or possible?

How can accommodations be made in policy situations in which different sets of stakeholders possess conflicting incentives to support or oppose policy change, particularly when the potential "losers" have great political influence or power?

On what managerial functions does policy implementation most often depend?

How critical and pervasive is the question of sequencing in policy implementation?

How significant are cultural influences, both colonial and traditional, among the managerial constraints to policy implementation?

What culturally acceptable alternatives are available for strategic management in critical problem areas?

What incentives are effective for eliciting public stewardship in support of policy change where democratic institutions are weak and political leadership is insecure?

What can outsiders most usefully do to support policy change implementation?

Research Product Expected - Annotated bibliographies of research literature related to subjects which project management specifies in year two, some of which can be anticipated in year one. Annotations will suggest the applicability of the collateral research to implementation problems which are encountered in the course of technical cooperation.

2.4. Additional Project Rationale/ Relation to Other AID Projects

2.4.1 Policy Decision and the Implementation Issue

Optimally, if not in usual practice, implementation issues should be prominently advanced during the consideration of policies to be adopted. The most common course of events, however, is the adoption of this or that economic policy alternative after economic analyses of the likely outcomes of different policy choices. Implementation is seen as a sequential next step rather than an element to be considered during the original policy analysis effort. All too frequently, this seemingly logical sequence has led to adoption of policy choices whose implementation has proved to be less than fully feasible.

The processes through which economic development policy choices are made in LDCs, influenced as they frequently are by donor financial and technical assistance organizations, would lead to far more satisfactory outcomes, if implementation feasibility were as carefully evaluated as are purely economic, or even engineering, considerations. This is especially the case when possibly unwelcome choices are thrust upon LDCs as a condition of receiving critically needed credit extensions or new loan funds. In such situations, all sorts of barriers to implementation are likely to arise from opposition groups in the bureaucracy, the political community, and even the private sector. Most organizations lack ownership of the changes pressed upon them and consequently little commitment to their successful implementation. As a result, there is especially great need for implementation feasibility analysis and the employment of collegial processes designed to overcome major opposition.

Wherever possible, the Implementing Policy Change Project will assist with the process of policy adoption by assessing the feasibility of implementing the specific policy alternatives under consideration.

2.4.2 Public Responsibility for the Policy Function

Policies addressed by this project are public sector policies, although these, of course, will affect and influence the activities and outlook of private sector organizations. Public policies may be proposed, demanded, or advocated by others - such as those sometimes insisted upon by lending institutions, as noted above; but the governments concerned bear responsibility for them, regardless of their origin or with whom the initiative for implementation lies, such as with the private or non-profit sectors. It has been amply demonstrated in recent years that governments cannot effectively or efficiently plan and carry out all or even most economic development activities, but only governments can provide certain basic services essential to the development process and to policy implementation; only government can remove the constraints which lie in its own actions, practices, structure, and previous policies. The government can be a facilitating influence on activities outside its control and responsibility.

2.4.3 Organization and Management Demands of Policy Implementation

Clearly there is wide variation in the kinds of policies intended to stimulate broad-based economic growth, and consequently the ease or difficulty of their implementation. There are vast differences among the many developing countries and the sophistication and maturity of their respective governments, of their structures and management capabilities. Problems of policy implementation vary accordingly.

Different kinds of policies make different kinds of managerial and organizational demands. To implement some policies, public agencies are required to develop new concepts of their roles, to set new objectives for themselves, and to build new structures, working relationships with other organizations, and patterns of work. This is particularly true when the objective is to stimulate vital initiatives by private business and non-governmental community groups. Other policies require only changes in government's own structure, procedures, and practices. Seemingly even simpler to implement are policies that focus on tolls, taxes, license fees, or exchange rates. Organizationally, or even procedurally, implementation may be easy; perhaps only a stroke of the executive pen is required. Public receptivity to or acquiescence in such changes can be highly problematic, nevertheless, particularly in volatile societies in which violent protest can even bring down a government. Careful preparation through strategic management processes, which include involvement of critical stakeholders and timely, adequate information dissemination, can often prevent such unwanted consequences.

In some cases, the crux of policy implementation lies in government's service to and interaction with its citizen groups, as when a policy seeks to preserve forest resources and limit or regulate their community use. Some policies call for complementary programs to be developed in order to elicit the supply response expected from the policy itself, as might be the case when other constraints, such as lack of credit or inadequate transport facilities, inhibit farmers from taking advantage of more favorable commodity prices.

Policies easiest to implement in hospitable settings may require only new directives and correspondingly new procedures posing no problems for most organizations. Such cases are seldom to be found in LDC settings. Far more common are situations in which implementation faces conflicting incentives, administrative or cultural traditions, or ideology. Policies are difficult to implement when they demand sharp change, there is limited time for preparation, and political support for them is weak. Ambivalent governmental leadership for the proposed changes and the influence of politically powerful "losers" make any implementation effort problematic. Weak management performance does not permit the innovation, flexibility, and dependability required by some policies. When policy implementation is complex, when it requires restructuring and collaboration with multiple groups at multiple levels, where management resources are poor, where the optimal course for implementation is obscure and new concepts must be developed, the implementation task is daunting.

The question posed to responsible managers in difficult policy implementation situations is not whether implementation is primarily a structural, procedural, or cultural problem; rather it is: "Given the policy, the context, and the available resources, what is the managerial task?" This question demands strategic management, the "orchestration of congruence"* between objectives, resources, environment, strategy, structure, and the processes of a program.

2.4.4 USAID Mission Response to State 266782 Requesting Advice on Proposed IPC Project and Presenting Outline of IPC PID

Twenty-five USAID Missions replied to outgoing ST/RD cable (State 266782 of 19 August, 1989)) requesting advice on the design of the Implementing Policy Change Project. The responses can be characterized as demonstrating:

- (a) predominant interest in and support of the new project concept;
- (b) considerable diversity in the perception of local policy implementation needs; and
- (c) a very general consensus in recognition of the nature of policy implementation issues despite diversity in formulation and focus of the replies.

A list of policy implementation areas in which a problem is seen by the responding Missions is long and highly varied. Nevertheless, most involve managing change, improving performance in areas important to policy implementation, improving functional linkages, and developing a more effective implementation strategy. The problem areas in which policy implementation issues are identified appear in Annex 3.

2.4.5 The Meaning of Strategic Management.

Historically, "strategic management" is associated with the management of business enterprises seeking to adjust objectives, plans, resources, and activities to meet changing markets, technologies, and conditions of production. For instance, a manufacturer considering the introduction of a new product must take the following elements into account:

Nature of the new product and the technology required for its manufacture.

Raw materials needed and their availability from assured suppliers at the right time and place.
Procedures for manufacture and availability of assembly line or other fabrication process.

*Samuel Paul, Strategic Management of Development Programmes, Geneva: International Labor Organization, 1983.

Demand for the product in the market place, as determined by market surveys and testing, with appropriate consideration of acceptable price range.

Marketing organization and system.

Cost of production and its relationship to market and pricing factors, so as to assure suitable profit.

Availability of personnel at all stages of production and distribution, and the necessary training they will require and how it will be provided.

These basic elements are relatively straightforward and generally simpler than those governments usually face when introducing a new program or introducing a new policy. Even so, Edsels do occur, and with surprising frequency; yet no sensible manufacturer would think of making a policy decision to invest funds in a new product without knowledge of each of the above elements and more.

Modern public management has consciously borrowed strategic methods from business in recognition that government shares the need for re-examination of objectives, for a results orientation, for congruence between ends and means, and for improved efficiency and effectiveness. The implementation of new or changed policies in difficult situations demands this management approach. Parallel to the business management example, strategic management in the public sector would have to consider some or all of the following elements:

Identification of all the governmental and non-governmental entities and groups whose participation and actions are essential to implementation of any new policy or policy change.

Definition for each such entity or group, of its needed role or activity, determination of the sequencing or timing of performance required, and design of a strategy for obtaining the needed action or response. Some entities may be directed to perform their roles, others coordinated, whereas outside groups or organizations must in most cases be motivated or influenced rather than directed.

Conduct of inquiries and surveys among affected stakeholders or citizen groups to determine issues and possible reactions to the policy change. Farmers, businessmen, and manufacturers, for instance, may respond to incentives but at the same time make government aware of constraints that impede them.

Determination that tasks are organized and assigned so that the more essential ones are given a higher priority.

Identification of non-governmental groups with comparative advantage for some tasks, and determination of means to induce them to share or assume responsibility for providing key services.

Assessment of the suitability of existing organization structure and procedures for accomplishing the tasks involved, and installation of required changes.

Assessment of staff capability for undertaking new roles and assignments, the training that may be needed and how it is to be carried out. New or more delegation of responsibility and greater autonomy in work relationships may be needed as well as means for making greater use of employee insights and perceptions of problems and opportunities.

Determination of the ability of the financial systems to allocate funds for priority activities and ensure timely disbursement at the place needed by policy implementation processes. Strict accountability and "transparency" in fiscal matters must be assured if confidence in government is not to be undermined.

Determination of which managerial functions, such as inter-organizational coordination, financial operations, or logistics and supply activities, are of key importance to a particular implementation strategy so that special attention may be given them.

Change of relationships with other government agencies as needed. For instance, policies involving collection of fees for use of a local service may also entail radical change in responsibilities between a central ministry and local governments. Encouragement of agro-business demands coordination of a number of ministries so that regulations and incentives are congruent and support the objective.

Assurance that needed information is available to the right people at the right time so that appropriate decisions can be made by program managers and other implementation personnel.

Provision of personnel incentives that support policy implementation.

Assessment of the significance and urgency of political movements and selection of means to enlist support or avoid conflict in the achievement of policy objectives.

Assurance that management decisions and actions are keyed to economic and sector dimensions of policy.

Identification of intellectual resources in universities, research institutes, and from among community leaders whose advice and support must be sought, again through a process of influence rather than direction.

Governments embarking on new policies often face a far more difficult task than private enterprises. The reasons for this are many, and the next section seeks to identify some of the principal ones.

2.4.6 Difficulties of the Public Management Terrain.

The nature of the public sector itself is a major problem element in policy implementation. Public organizations have often been seen as concentrating their efforts on enforcement of laws and regulations and exacting conformity with established procedures, with adherence to rules often taking precedence over achievement of objectives. Although such "displacement" has been termed a bureaucratic pathology, it is exactly the prevalence of this tendency that has given the term bureaucracy its pejorative meaning. Public administration has generally lacked a "management orientation".

Unlike the practice in modern business, goal setting is frequently isolated from implementation in government. The multiplicity of goals to which governments are necessarily committed, and in LDCs the relatively limited resources and small number of trained personnel to achieve them, also contrast with business. The size of government, its lack of direct accountability for results, and the many and diverse political pressures affect its ability to manage strategically. Public managers' interest in innovation and risk is seldom very high, and it is further reduced where there is political uncertainty. There are fewer financial incentives to attract the kind of managerial talent that prefers the opportunities of the business environment.

In many LDC governments, widely prevalent notions suggest that administration can be carried out by almost anyone, that senior administrators are fully interchangeable, that rigid rules and set procedures are of prime importance, and that technical knowledge or competence is of little value. These attitudes not only reflect a perspective that is the antithesis of strategic management, they inhibit initiative and a flexible search for new solutions. They also discourage capable people from entering public service.

In some countries, concepts of administration carried over from a colonial past, sometimes poorly understood and reinterpreted since independence, continue to exert a negative influence by their emphasis on a rigid adherence to outmoded methods and rules and regulations designed for a different era. The fact that few native people were trained as skilled administrators under colonial rule often meant that with independence, unprepared people had to assume functions and responsibilities they did not know how to perform.

These are formidable obstacles to be overcome, and the effort to do so will not always be successful. Many of them need to be the subject of new policies themselves, and as implementation of economic policies is undertaken and such obstacles are found to stand in the way, some will have to be directly addressed. Employing interrelated consultation, research, and on-the-job training, and collaborating with LDC management resource institutions and specialists, the IPC Project will assist LDC managers use and test a framework and learning process through which they can simplify and order the tasks required to implement policy, and through which they can give attention to those strategic tasks of higher priority.

2.4.7 Relation to the Private Sector

Effective management of public policy change implementation is not the sole responsibility of government employees. A vital private sector which both demands and supplies ideas, leadership, and appropriate services is important to government implementation of policies designed to create broad-based income growth. Whereas government must encourage and consider private sector demands and foster or utilize its services, the constructive role of the private sector in this question demands attention. This is particularly the case where the machinery of participatory democracy is non-existent, rickety, or corrupted.

Where the private business sector has weak capability or little national allegiance, where it is exclusive, content with the status quo, and does not seek a role independent from government, it cannot perform the necessary partnership role in policy reform. Where consumer or "end-user" groups have little influence on government, where they have no easy ways to inform of their production needs and "survival mechanisms", where their production capabilities are weak and their production needs ill met, government implementation efforts to increase broad-based income is the poorer. Where the intelligentsia are relegated to isolated or ivory tower universities and institutes and where they do not link their learning with its practical application in problem solving, important implementation resources are wasted.

In many countries there are private sector groups that appear to constitute an obstacle to implementing policies fostering broad-based income growth, for they fear encroachment on a privileged status or monopoly. An excellent example is the opposition by land-holding oligarchies to land reform. Strategies are needed to limit or minimize such opposition, and their successful development clearly depends on effective communication and participation in the policy planning and implementation process.

A major focus of the IPC Project will be the interaction between government and the private sector for successful policy implementation. Government use of the framework and learning process entails understanding the interests of and collaborating with private sector groups in the design of priority strategies that will be supported or responded to. The project will also work with these private sector groups on such issues as clarifying perceived interest conflicts and their relationship to policy objectives.

2.4.8 The Framework and Learning Process for Strategic Management.

The framework and learning process, developed by Louise White, is presented in Annex 1. It draws extensively on the work of the Performance Management Project, particularly its research and analysis of program management, organizational change, and policy implementation difficulties in a number of countries. It draws also on the prior project's technical cooperation experience with a wide variety of LDC program management issues, and on its focus on modes and methods of effective con-

sultation with and training of LDC managerial leaders.

The framework and learning process serve multiple purposes:

(a) It organizes many of the lessons for implementing policy change drawn from the predecessor Program Management Project, supplementing and reinforcing them by reference to a wide range of additional works.

(b) It provides a flexible structure through which LDC organizations can plan and accomplish the specific tasks needed in each case of policy implementation, thus it:

enables busy managers to acquire, assess, and use multiple kinds of data and indicators, including, for example, those identifying stakeholders, and any socio-political issues impinging on or obstructing policy change;

assists managers to undertake unaccustomed roles which favor the implementation of policy change, such as liaison with private groups, collaborative assessments, etc.; and

provides a framework for managers to acquaint themselves with and analyse in the light of their own experience the problems encountered and solutions employed in other countries and other parts of the world.

(c) It provides an analytic structure for comparative research and for the examination of particular components of the substance and process of implementation.

(d) Its modification after use and testing will provide guidance to implementors, specialists, and donors.

In addition to presenting the framework and learning process, the White paper, constituting the technical analysis for the IPC Project, also gives the theoretical basis for the strategic management and learning process approach (pages 14-21) and discusses changing dynamics, perspectives, and characteristics of policy reform and implementation (pages 1-5).

2.4.9 Relation of IPC to Other A.I.D.-Funded Work.

2.4.9.1 The Predecessor Project - The Implementing Policy Change Project benefits from, builds on, and focuses key aspects of the broad-gaged work of the Performance Management Project. That project was termed by its evaluation a "learning endeavor" and a "thematic framework for learning and innovation to improve program management, rather than a specific package of inputs and outputs". The evaluation document noted that the PMP

"has clarified diverse threads of development management theory and tested specific approaches for management improvement...mobilized human resources...improved capabilities for management improvement."

Through its three implementors and its wide range of USAID Mission "buy-ins", the PM Project explored management in many kinds of LDC development organizations. Some of these explorations involved concept elaboration for new programs or projects, assessments or analyses of particular issues or development problems. Others were problem-solving or implementation planning consultancies. Some focused on the potential of LDC management training institutions for creative and substantive support to program managers. In all of these field activities, priority was placed on collaborative work with host country specialists and managers. Attention was concentrated on means for addressing the problem while keeping ownership with host country collaborators for the process and the outcome. Training (or group process often termed training) was a component of most activities. There was also a stream of work which focused only on training of Francophone managers.

The project undertook these activities with a considerable range of organizations, as well as management issues and objectives. Some examples of these activities are: financial management systems development, increasing the value of grass-roots initiative, improving management of agricultural research institutions, decentralizing aspects of management planning for irrigation, improving management performance in ministries of planning and agriculture, development of new graduate business programs in universities, determining the organization/management dimensions of introducing automated data systems.

Although these subject areas ranged widely, the reception that this work received and its accomplishments reinforced the understanding that (a) organization and management knowledge and process skills are a valuable complement to other technologies for achieving objectives; and (b) although there is much new learning in each situation, much "strategic development management" knowledge is transferrable between situations.

Whereas the diversity of this experience, and its analysis, provided many learning advantages and proved a useful prelude to dealing with management issues of policy implementation, in which constraining factors may not be known at the outset, it did not afford the long-term, comparative basis needed for the next stage of learning in this evolving field.

The PM Project evaluation recommended that this broad agenda be focused in the organization and management project to follow on a priority area of Agency concern. None seemed more important than the implementation of policy change. This subject is particularly suitable for a PMP follow-on project because policy implementation is central to more efficient use of resources by LDCs to achieve broad-based growth. By employing policy implementation as the organizing principle, and using a common strategic management framework, comparative observations are easier, learning is more demonstrable, and conclusions for "guidance" are more easily made. (See Annex 5 for excerpts from PMP evaluation.)

2.4.9.2 Complementary Relationship to Other Projects.

Since USAID interest in implementing policy change is summarized in Section 2.2.4 and Annex 3, no attempt is made here to list the numerous USAID projects that deal with policy change. S&T/RD and the IPC contractor will collect and review further information about these projects following Project Paper approval. It should be noted, nevertheless, that the IPC Project will not be limited to support of other USAID projects, but will undertake technical collaboration on any suitable implementation effort on which the host country and the relevant USAID Mission agree.

The IPC Project complements a number of AID/W, World Bank, and UNDP projects whose foci are policy analysis, policy formulation, policy impact, and capacity building for performing these functions. Some of the projects include "implementation" in an agenda which emphasizes these objectives; in some the economic tasks required for implementation are the focus of concern. Few give more than passing attention to the managerial aspects of implementation.

Within A.I.D., a variety of projects have recently dealt with policies designed to support broad-based economic growth. These include:

PPC/EA's new "CAER" (Consulting Assistance on Economic Reform) Program;

S&T/AGR's "APAP" (Agricultural Policy Analysis Project);

AFR/DP's Political Dimensions of Policy Reform Project;

AFR/DP's evaluation of the social impact of policy reform in Africa;

PRE's Institutional Reform and Informal Sector (IRIS) Project;

S&T/RD's "OMEGA" Project on policy analysis for broad-based income growth.

Other related activities include:

A joint project by the World Bank, UNDP, and the African Development Bank on "Social Dimensions of Development" which has four components: (a) social and economic policy analysis; (b) social policy and policy formulation; (c) survey of statics; and (d) training.

A World Bank project on Capacity Building in National Economics. This concentrates on training and other support to the development of national planning bodies. It also supports the programs of regional and national education and training institutions for policy analysis.

2.4.9.3 Complementary Relationship with Economic Policy Analysis

The Implementing Policy Change Project will not engage in macro-economic analysis, but will contribute to and complement such work by:

(a) Assessing the strategic feasibility of proposed policies. An analysis of possible implementation problems with each policy option is a highly desirable input to the decision process.

(b) Facilitating and consulting on the process of policy adoption by government. The process by which policies are studied and adopted can have a determining effect on whether they can be implemented successfully. An assessment, for instance, of what management strategies might be used to allay political or interest group opposition may be crucial to policy success.

(c) Continuing to work with economic and sector specialists during implementation in order to integrate economic and sectoral concerns appropriately into program operations and management practice.

The IPC Project will further complement the work of economic analysis through support of organizational linkages between units engaged in economic analysis and those responsible for managerial decision making. It will also help management recognize its need for and demand policy analysis as critical to strategy development.

2.4.9.4 Policy Impact Analysis.

While it is recognized that impact analysis may be a primary concern of economic policy analysts, successful implementation, as a critical objective of strategic management, requires a careful monitoring of policy outcomes and how the various stakeholders are affected by the policy being implemented. Consequently, the IPC project, particularly in its long-term consultancies, will assist host country implementors:

(a) design suitable indices of performance, including systems and procedures for data collection, quantification, and analysis, and help them incorporate their use in the monitoring process.

(b) conduct special studies and analyses of impact issues or problems when implementation difficulties arise, or affected stakeholders or vulnerable groups suggest that impacts are negative or other than those intended by officials responsible for the policy decisions.

2.4.9.5 Political and Social Environment Analyses.

The project will promote assessments and "mapping" of significant

environmental factors under the aegis of the implementing organizations themselves. It will undertake adaptive research on common intractable problems, many of which are social and political, which implementation managers frequently encounter. In order to strengthen the support capability of local universities, the project will encourage them to investigate elements in the social and political environment that impinge on the implementation of particular policies. These studies and assessments will be focused on the significance of such factors for implementation and will remain subordinate to the project's agenda of enabling the managers to value and utilize such analytical information for more strategic choice and effective implementation.

3. Cost Estimates, Financial Plan, and Financial Analysis

Cost estimates, financial information, and financial analysis are presented in Annex 7.

4. Implementation

4.1 Collaborative Management

The IPC Project is designed for joint support and collaboration with USAID Missions, Regional Bureaus, and S&T/RD, as all have a critical need to help assure more effective policy implementation in third world countries. Collaborative relationships which meet the intent of all collaborators require particular attention not only in design but also during implementation. The following sections indicate the responsibilities of the A.I.D. bureaus and missions involved.

4.1.1 S&T Coordinating and Management Responsibilities

Oversight - S&T/RD will have responsibility for oversight of all project activities. In particular, it will have responsibility for:

- a. overall planning for the project;
- b. technical work performed by the project;
- c. programming documents, reporting project activities and progress;
- d. linking and coordinating the project with other aspects of the Agency's work; and
- e. contract management, including contractor compliance with contract requirements.

Enlisting and Incorporating Project Leadership - S&T/RD also has responsibility for enlisting and incorporating project leadership from, and sharing project leadership with, other A.I.D. offices, as appropriate, for purposes of:

- a. carrying out project oversight and assuring satisfaction by the different sources of IPC Project funding;
- b. making technologies which are marshaled by S&T/RD readily accessible to other A.I.D. offices and encouraging their use;
- c. assuring understanding of how S&T/RD projects are used in practice and the benefits they provide those offices responsible for operations;
- d. providing a supportive but "expert" role in relation to offices and missions responsible for operations;
- e. assuring that the IPC Project profits from the insights of outstanding A.I.D. officials.

To meet the foregoing responsibilities for oversight and leadership coordination, S&T/RD will:

- a. convene a Project Committee and interact with appropriate regional bureau offices to collaborate and coordinate on:
 - (1) contractor selection;
 - (2) arrangement for LDC activities;
 - (3) provision of technical direction to the contractor, particularly as respects research activities;
 - (4) review of workplans and annual country reports;
 - (5) project evaluation.
- b. secure written concurrence from funding offices for all personnel plans, timing, and scopes of work to be undertaken before authorizing any new activity financed by a Regional Bureau or USAID Mission;
- c. provide technical support to funding offices and missions to insure technical integrity of in-country activities, and negotiate full or shared S&T/RD technical backstop role for each continuing LDC activity;
- d. ensure that Regional Bureau personnel are invited to team preparation and de-briefing meetings, and that they are informed of outstanding issues, and ensure that USAID Missions are offered briefings and de-briefings before and after each technical cooperation activity;

e. oversee contractor's management of in-country activities as agreed upon with USAID Mission;

f. organize arrangements for buy-ins or OYB transfers, and instruct other offices on S&T aspects of funding documents or prepare them in collaboration with funding office.

g. direct implementation of the technical cooperation, research, and networking activities through written approval of contractor's annual workplan, of all overseas travel undertaken by contractor's staff, and of each technical thrust undertaken throughout the year to implement the workplan;

h. maintain a data base of financing and expenditure, sign vouchers (with concurrence of funding office where this is requested), and organize funding and programming documents for S&T funding;

i. lead A.I.D. participation with the contractor in planning, strategy development, technology development, and related programming, and encourage participation of other interested A.I.D. personnel;

4.1.2 Responsibilities of All Regional Bureaus

All Regional Bureaus will appoint one or more members of the Project Committee, or concur with S&T/RD selection of such members, based on relevance of each person's work to that of the project. Project Committee members will participate in review of annual workplans and annual reports, and provide relevant guidance. The Regional Bureau will also participate on the contractor selection team, provide feedback on assessment of technical cooperation activities, clear S&T cables with USAID Missions, participate in briefings and de-briefings of technical cooperation teams, and advise S&T of Mission and Regional Bureau programs, needs, and analyses.

4.1.3 Responsibilities of Regional Bureaus Providing Direct Funding

Regional Bureaus providing direct funding will be responsible for the following activities:

a. review of Request for Proposal for contract, participation in contractor selection, and approval of scopes of work for tasks financed by the Bureau;

b. designation of a liaison officer to work with the IPC Project and to guide and assist the S&T/RD Project Officer's liaison with other officers in the Bureau;

c. arrangement of program financing documents for pro-

ject elements financed by the particular Bureau;

d. initiate buy-in documents, and operating year budget transfers for work to be financed with Regional Bureau funds; review and sign task orders for the use of such funds.

4.1.4 Responsibilities of USAID Missions

All collaborative work with LDC governments under the IPC Project will require the participation of USAID Missions, with whom rests the major responsibility for all work performed under Mission auspices. Mission responsibilities are of two kinds, depending upon whether work is exploratory or a determined undertaking.

4.1.4.1 Exploratory Field Work

Determination rests with the Mission as to whether it is interested in supporting the implementation of any given host country policy. In reaching such a decision, the Mission will:

a. determine that the policy is in keeping with Mission program objectives (indeed, the policy may be an outgrowth of Mission-LDC policy dialogue);

b. determine that host country officials may welcome support for policy implementation;

c. identify an avenue for initial work, such as one of the following:

- (1) host country request for assistance or for an exploratory visit by implementation specialists;
- (2) consultation with host country officials on the possibility of collaborative work;
- (3) follow-up on dialogue or activities already begun;
- (4) a Mission desire for assistance in exploring a possible program of collaboration.
- (5) Mission feels it needs help with one of its projects that is not being implemented effectively.

d. determine that appropriate funding is available, including the possibility of full or partial support from the Regional Bureau or S&T when work to be performed is essentially introductory.

e. request short-term technical assistance, negotiating with S&T/RD, and in some cases the Regional Bureau, the scope of work, timing, personnel required, and duration of an introductory visit

f. coordinate with S&T/RD, when Mission funding is to be used, the preparation of the PIO/T to add Mission funds to the S&T contract.

4.1.4.2 Agreement Has Been Reached

When host country officials, the USAID Mission, the contractor, the Regional Bureau, and S&T/RD have reached agreement that long-term technical collaboration is promising and possible, the Mission will have the following responsibilities:

- a. negotiation with host country government of a plan of work for as long a time as funding is available and the general plan is clear;
- b. negotiation with S&T/RD a plan for technical oversight, technical back-up, and management support;
- c. determination of level of effort and a plan of action until further negotiations are completed;
- d. preparation of PIO/T, with S&T/RD assistance;
- e. arrangement for briefings and de-briefings of IPC Project teams;
- f. determination of which project management activities will be performed by Mission rather than S&T or contractor, and negotiation of appropriate agreement with S&T/RD on these matters;
- g. participation with host country, contractor, and S&T/RD in considerations of field activity expansion, reduction, redirection, or termination; authorizes changes of this sort as are agreed to.

4.2 Project Management Within S&T/RD

The project will be managed by a direct hire AID S&T/RD technical officer. Because the project will rely heavily and frequently on hard-to-acquire facilitative skills both to support initial negotiations in the LDCs and contractor's subsequent strategic management endeavors, a RSSA specialist in this area will assist the S&T/RD project officer in managing the project. The RSSA specialist, available to S&T/RD from the U.S. Department of Agriculture, will support the Project Manager, the Regional Bureaus, USAID Missions, host country organizations, as well as the contractor, in:

- (a) identifying needs and opportunities,
- (b) arranging and negotiating initial technical cooperation activities,
- (c) establishing viable processes for collaboration in

- LDC settings,
- (d) facilitating and monitoring group analytic processes, action research, and action training,
 - (e) integrating organization-based training in technical cooperation activities, and
 - (f) organizing and monitoring financing for the project.

The specialist possesses the necessary process and facilitative skills, as well as extensive development experience in LDCs.

4.3 The Project Committee

The Project Committee will be composed of AID officers from the Regional Bureaus, PPC, S&T/AGR, and S&T/RD. The function of the committee is to collaborate on IPC Project planning and monitoring to improve the project's usefulness to the Agency as a whole. The Project Committee will review the contractor's annual work plan and recommend its acceptance or modification. The project's annual reports will be reviewed with the committee.

4.4 Contractor

A competitively chosen contractor will be the principal instrument for IPC Project implementation. The contractor may be a management consulting firm or a university, or a consortium of institutions. However, the contract will be awarded to and negotiated with a single responsible institution, which, in turn, will sub-contract with university or other consortium members for functions and services it needs. Competitors will be chosen on the basis of their established ability to:

(a) Demonstrate understanding of the macroeconomic theoretical basis and underlying assumptions upon which most policy reforms are predicated.

(b) Marshal the range of capabilities, perspectives, and skills required to implement the project plan. Whatever their original disciplines, specialists must demonstrate ability to apply a mix of disciplines and approaches to solving the problems posed by difficult policy implementation challenges in the LDC countries.

Among the capabilities needed are strategic planning and management; policy analysis; applied, adaptive, and action research; collaborative process and methods development; and implementation follow-through and monitoring.

(c) Marshal personnel from within its own organization or collaborating institutions who, in addition to technical competence, have in-depth experience in Francophone and Anglophone Africa, Latin America, the Middle East, and South Asia, and have high-level competence in speaking

French, Spanish, Arabic, and/or Portuguese.

(d) Demonstrate relationships with and access to university units, in the U.S. or elsewhere, which are interested in strategic management research applied to policy change implementation issues for mutual IPC-university benefit. Some of these units should be interested in teaming with LDC universities or management institutes to jointly support policy implementation in LDC host countries.

(e) Demonstrate linkages and collaborative relationships with outstanding LDC and regional universities, management and economic research institutes and specialists, and an interest in strengthening their role as resource institutions for policy change implementation.

(f) Demonstrate the ability to manage the logistic, financial, inter-organizational, and technical dimensions of the IPC Project and to collaborate with S&T/RD in project execution.

4.4.1 Reporting Duties

In addition to workplans and budgets at the beginning of each year and an annual report of field activities at the end of each year, the contractor will provide a quarterly report to the A.I.D. Project Officer covering technical cooperation and research activities. The status of network development and dissemination workshops will also be included.

Research papers, articles, books, or other documents prepared under the IPC Project will be submitted to the Project Officer as soon as completed. Interim reports on the status of these materials may be requested by the Project Officer at any time.

4.5 Research Grants (See reference in Section 2.3.5.2)

Research grants will be awarded to LDC universities and management resource or training institutions, to these institutions in collaboration with U.S. universities, or to U.S. universities alone, for conduct of low-cost research cum teaching and consulting related to actual implementation efforts. These grants will be made on the basis of proposals entertained after the second year of the project. Preference will be given to collaborative LDC-U.S. proposals, except where the LDC institution has conspicuous capability. Subjects of the research should be of joint benefit to the project, the U.S. and the LDC institution. These grants will not be financed through the contractor.

4.6 Implementation Schedule

4.6.1 First Project Year (Adjustments to be made for AID Fiscal Year)

4.6.1.1 Reconnaissance and "Trouble Shooting" Missions

Two to three reconnaissance or "trouble shooting" TDYs will be organized and sent to each major region, with at least three to Africa. A TDY may be requested by the Regional Bureau, a USAID Mission, or be initiated by the contractor. The purpose is essentially diagnostic, to identify significant policy implementation issues or problems to which the resources of the IPC Project may be addressed. The TDYs will also acquaint both host country officials responsible for policy implementation and USAID Missions of the project's resources and approach. Longer-term, Mission-funded technical cooperation missions with host country governments will emerge from these initial contacts.

4.6.1.2 Technical Cooperation

Technical cooperation activities with host-country governments will be undertaken in no more than eight countries during the first project year. Some of these will grow out of the earlier reconnaissance TDYs, whereas others will be requested by the USAID and host country. They may involve assistance with a particular policy implementation issue or problem, or a need for short-term, in-country training, consultation, or research on questions or functions which affect the kinds of policies the IPC project addresses.

When there is host country demand and available Mission or regional funding, cooperation may be expanded, extended to additional policy areas or problems, or converted to long-term assistance. The long-term work may take the form of a series of scheduled interventions planned during the first visit, or it may lead to the long-term placement of one or more specialists in the host country. A key factor in deciding on any of these options, quite apart from funding possibilities, is the type of policy to be implemented (one fostering broad-based income growth), the determination of the host government to implement the policy, and the desire of that government to collaborate in the effort.

4.6.1.3 Technical Cooperation and Research Back-up

Each new field undertaking will be preceded by IPC Project team planning and orientation to: (a) prepare the team to understand the host country situation to be addressed; (b) make a provisional plan for each technical team; (c) prepare materials needed for the consultation, research, or training; and (d) identify host country or regional specialists who may be join the team or participate in its work.

Both orientation and de-briefing meetings will be held in-country with the USAID Mission and the host country organizations involved in policy change and implementation. These are for the purpose of assessing the intervention, determining what has been learned from it, and evaluating the need and potential support for continuing strategic management implementation collaboration. De-briefing meetings in the U.S. continue this process. At them, the collaboration activity is examined as to its contribution to the project framework and learning process, its utility

for comparative study, and the identification of any "intractable" questions which may suggest the usefulness of adaptive research to shed light on how they have been dealt with elsewhere.

4.6.1.4 Research

Research will be a continuing concern of the project. Notes will be made after each field activity as to its relationship to the IPC framework and learning process. Near the end of the first year, based on field experience, project staff and collaborators will suggest modifications or additions to this framework and process. This review will be carried out by means of a workshop.

Using the IPC framework and process as a basis, and informed by the first year's technical cooperation, project specialists will decide on the dimensions to be monitored for comparative study. Research notes for the past year will then be organized around this outline. The contractor, in consultation with S&T/RD and the Project Committee, will designate the data base for that part of the comparative research not based on IPC activities. Among the questions to be taken into account are:

- (a) To what extent is historical experience useful for comparative study to guide future decision making? What other kinds of experience is useful?
- (b) What kind of contemporary experience should be monitored? How available are the needed data?
- (c) Are there inexpensive ways of acquiring historical and contemporary data? Where none are found, how important is a broad, contemporary data base and an historical one to the purposes of the project?

In support of technical cooperation work in the field, as well as in support of all research undertaken by the project, the IPC staff will review and monitor the literature on policy implementation to identify commonly encountered problems of singular difficulty, and these may become the subject of special study, particularly when they have also arisen in project field activity. The staff will likewise create and maintain a bibliography of research done outside the project for the use of researchers and field staff.

4.6.1.5 Networks and Dissemination

The IPC Project will initiate funding for formal communication among a small network of management specialists in each region, or sub-region, in which it is working. These regional specialists will be persons participating or vitally interested in policy change implementation. Communication can begin with a form letter sent out by one such specialist to colleagues in his/her own or neighboring countries, or it may begin as an additional page in a professional or institutional periodical that includes substantive materials on implementation issues.

What begins as an invitation to share experience and ideas will be supported as persons show increased interest and a significant newsletter or journal becomes possible. Networks will include not only the exchange of information by journal and newsletter, but also in regional workshops and seminars which the project will fund. It is essential for achieving the development goals of the project that host country policy managers and resource persons take the lead in networking activities in each region.

The U.S. networks, from a peer group perspective, will review reports and case studies on the application and utilization of the IPC framework and process, as well as working papers, issue papers, and research documents which the project produces.

(NOTE: all documents which are disseminated will be edited to eliminate any sensitive material that might compromise the relationship of trust essential to successful technical collaboration.)

4.6.1.6 Project Planning

The contractor will prepare a work plan at the beginning of year one of the project, and a second at the end of that year focused on year two. S&T/RD and the Project Committee will review the workplans with the contractor and suggest changes or amendments they consider appropriate. Work plans will include technical cooperation, research, network plans, and a project budget. S&T/RD will authorize approval of the expenditure plan.

4.6.2 Year Two

4.6.2.1 Technical Cooperation

By the beginning of year two, it is expected that six long-term technical cooperation agreements will already be in place or in process of development. Reconnaissance TDYs and short-term technical assistance missions will continue as needed or if the long-term engagements have not been established.

On-going work will be monitored and strengthened by further team planning and debriefing meetings in the U.S. and the host country with each intervention. These continuing planning and evaluating sessions are a part of action research:

(a) They will assess the dimensions of the implementation problem, the utilization of the process, and the overall effectiveness of project support to implementation.

(b) The framework and learning process will thereby be tested and suggestions developed for their modification and improvement.

(c) Particularly difficult problems will be identified

and related to experience elsewhere and outside the project.

(d) Sector-specific, technology-related management difficulties will be revealed and addressed.

(e) New strategies will be planned and evaluated.

Meetings in the host country will incorporate implementors and specialists in assessments, syntheses, and planning, all of which are intrinsic components of the project's support for implementation. An annual report will be prepared in each country using the comparative study outline for this purpose. Regional AID and geographic offices should be included as recipients of these reports and as participants in appropriate briefings.

4.6.2.2 Research

During this year the data base will be established for comparative research drawing upon policy implementation experience outside the IPC Project. Also during this year, abstracts of research done outside the project on so-called intractable policy implementation problems and on sector technology-related management problems will be prepared. These will be made available as appropriate, to the project field teams, to host country resource institutions, and to the regional network newsletters. An agenda for complementary adaptive research on difficult issues will be developed in cooperation with the Project Officer and the Project Committee, and work on that research will be initiated.

4.6.2.3 Occasional Papers

Occasional papers will be written on particular lessons, experience, insights, or related subjects that arise from project experience. These will be disseminated for review and discussion through the implementation networks. Teaching and training materials for use in technical cooperation activities will also be prepared and disseminated. All of these must be included in the work plan for the second year.

4.6.2.4 LDC Resource Institution Strengthening

S&T/RD will entertain proposals from LDC management resource institutions and U.S. universities for joint research and development activities in support of the IPC Project's technical cooperation efforts.

4.6.2.5 Networks and Dissemination

Seminars or workshops will be organized for host country policy implementors, management resource specialists, and technical cooperation collaborators to deal with outstanding policy implementation issues. The meetings will be held on a regional basis, and early sessions will not dwell on a single country's experience.

U.S. networks will review the IPC Project's experience and progress at their meetings. Papers produced by the project will be reviewed on these occasions.

4.6.3. Year Three

4.6.3.1 Technical Cooperation

Long-term work continues as in year two. In the case of completion of work on a particular implementation effort, short-term support may continue as needed or until another long-range agreement is reached.

Short-term work will continue at a diminished rate as effort becomes concentrated on long-term collaboration. Few reconnaissance or diagnostic missions are contemplated in year three.

4.6.3.2 Research

Research will continue as in year two. Draft case studies for countries in which the IPC Project has been active will be written from the annual country reports and other documentary products.

Research grants will be made to LDC management resource institutions or to support joint U.S.-LDC institution studies in research and development.

4.6.3.3 Networks and Dissemination

In LDC regions, newsletters will be continued. Annual regional workshops will be focused on the comparative experience of the participants in implementing policy change. U.S. networks will continue to function as in year two.

4.6.3.5 Workplan

Workplans will be prepared and submitted for approval as in the first two years.

4.6.4 Year Four

4.6.4.1 Technical Cooperation

Technical cooperation will continue as in prior years.

4.6.4.2 Research

Case studies will be completed covering the work done in each cooperating country, using the comparative study outline. The comparative data base from outside the project will also be completed, as are papers on adaptive research. Selected studies and reports will be submitted to outstanding international specialists for review and evaluation.

Research reports from U.S. and LDC management resource institutions will be received and submitted for review to S&T/RD, the Project Committee, and the contractor.

4.6.4.3 Networks and Dissemination

Regional workshops and conferences will be organized around: (a) issues from IPC Project technical cooperation experience, and (b) issues raised in workshops the previous year. The newsletters will incorporate conference planning and the dissemination of proceedings.

U.S. networks will examine significant project experience and any additional papers.

4.6.4.4 Evaluation

A project evaluation will be undertaken to assess project experience and outputs through examination of annual reports, case studies, and other documentation. Field trips will be made by evaluators to assess the project's accomplishments to date, the time required to make a significant difference in policy implementation, and the cost effectiveness of continuing the project for an additional five years. The evaluation team may recommend continuation, as planned, or it may report that the project should be terminated at the end of the fifth year.

4.6.4.5 Workplan

If the project is to be terminated, the workplan for year five will focus on completing all activities as scheduled. If, on the other hand, the project is to be extended, the workplan will be developed in conjunction with project extension design.

4.6.5 Year Five

If the project is to be extended, the project extension design will be completed during this year, and implementation activities will be guided by the new design.

If, however, the IPC Project is to be terminated, completion of the project will involve the following elements:

(a) Technical cooperation will continue as in year four, but with particular attention to establishing on-going patterns of activity and of local support after the project closes.

(b) The final reports of LDC research grants will be received.

(c) Comparative research, based on the comparative study outline, will be completed, as well as all case studies, and these will incorporate material from the outside data

base and completed adaptive research.

(d) Additional documentation and publications will include:

A revised IPC framework and learning process document modified by IPC Project testing.

Papers on special issues for policy implementation. These will be drawn from occasional papers, adaptive research papers, and reports of LDC workshops and conferences.

Papers on technical support to policy implementation, including: (1) consultancy, action research and training approaches (2) training and teaching materials; and (3) experience with project efforts to strengthen LDC management resource institutions for support of policy implementation.

5. Evaluation of Project

The use of action research and the learning process approach, which are a part of the technical collaboration undertaken by this project, will provide a continuous evaluation of accomplishments, failures, and lessons learned along the way. An annual report on all project field work will be submitted to the Project Committee for its review. The IPC Project will itself design criteria for measuring policy implementation accomplishments by host country organizations, and these will be applied to determine the success of policy change efforts, as influenced by project collaboration processes. Thus an excellent paper trail will be created and maintained as part of the fundamental research agenda of the project, and this in turn will facilitate evaluation of the project itself. Furthermore, the interest demonstrated by USAID Missions in project buy-ins will provide a measure of how well the project is perceived to be attaining its objectives in the field. Consequently, no external evaluation will be carried out until the fourth year of the project.

The evaluation to be made in the fourth year will, however, be a thorough one, including field visits to each of the Regions in which the project has been active. A very careful effort will be made to determine specifically how the project has influenced the pace of policy implementation and the degree of implementation success that can be attributed to the project's involvement. The research papers and documents produced by the project will also be evaluated as to their contribution, not only to field work, but also to the general body of literature about policy implementation issues and problems. The usefulness of the framework and learning process used by the project to inform strategic management of policy implementation will be analysed.

Upon the outcome of the evaluation will depend the decision as to project termination in the fifth year or extension for another period of five years. Doubtful project effectiveness would suggest termination. On the other hand, even qualified success would indicate the desirability of extending the project, not only to further demonstrate its usefulness but to institutionalize the strategic management methodology as a means of assuring sustainable benefits from improved policies successfully implemented.

To conduct the evaluation, a separate contractor will be utilized, possibly under an IQC.

IMPLEMENTING POLICY CHANGES

Louise G. White

September 1989

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ANNEX 1

Technical Analysis

The paper which follows, prepared by Louise White, provides the technical analysis for the IPC Project's approach to technical cooperation and research, as well as the method which it will help policy implementors use in designing strategies for coping with critical implementation issues and problems. The paper contains the basic research framework.

The ability and means by which project personnel work collaboratively with host country policy implementors is the subject of the following paragraphs.

Adaptive Use of Framework and Process

Although White's paper sets forth five progressive steps for the strategic management process, together with the framework for examining issues involved in the process, it will be a rare occasion on which the policy implementor starts at the beginning with an IPC specialist to carry out the process step by step precisely in the order in which it is written. This does not diminish the importance of the progressive layout of the framework and process, because even when implementation planning is begun at a lower echelon or at some tangential point, each step must be taken into account.

Some collaborative work may very nearly approximate the order and comprehensiveness of the paper. Other collaboration may require considerable backing and shifting in terms of progression, and sporadic effort in terms of depth of coverage. Nevertheless, if the outlines of the total task remain in view and the goal is clear, collaborative work can begin on those aspects of the framework and process where movement is possible and one can come to grips with important implementation issues. Subsequently, other aspects will become susceptible of being addressed as the utility of the approach is demonstrated. The framework and process are thus serving the implementation purpose.

Balanced against the importance of the progression of the five steps of the framework/process is the importance of (a) beginning where the client is, (b) developing support by demonstrating that outside specialists are useful, trustworthy, and discrete, (c) learning mutually by collaborative interchange, and (d) understanding where outside collaboration is useful and needed and where it is unnecessary or unpromising.

Personnel

Successful use of the framework and process is highly

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dependent on the personnel who attempt to use it. Implementors must be seriously determined to carry out the policies for which they are responsible. IPC specialists who collaborate with the implementors, in addition to having a task orientation, must be able to establish a strong facilitating but not dominant relationship with the client, employing methods that enable the implementors better to pursue their own diagnoses; design their own solutions, making use of the insights and techniques of others; mobilize the necessary resources from their own environment; and themselves establish the relationships that strengthen them in carrying out their own responsibilities.

Themes underlying use of the framework/process in collaborative work are:

- (a) Many solutions are not known but must be found;
- (b) Implementation may require responsible host country officials to change the concept and content of their responsibilities;
- (c) Implementation may require new functional and organizational relationships, but these must be compatible with the institutional milieu and existing capabilities;
- (d) Implementation may require accessing known knowledge and skills from outside the local situation and suitably adapting them for use.

To support and facilitate such changes, IPC specialists must be individuals with a range of uncommon but much-needed knowledge, skills, and experience. These attributes include a solid grounding in the substantive aspects of strategic management and their significance in LDC settings. Equally important, however, is the ability to establish the kind of disciplined professional relationships with policy implementors that promote wide-open consideration and analyses of implementation issues and options, involvement of stakeholders and clients in discussion and participation in strategy development, and readiness to reappraise and adjust when implementation obstacles or experience indicate the need.

A.I.D. has knowledge of such specialists. The Performance Management Project worked with specialists of many different styles who effectively used such disciplines, skills, and methods. Some relied primarily on consultative skills, others on group processes and collaborative resolution of issues and problems. Many participated in collaborative research. Most employed a combination of these ways effectively

ists and absorb them into high-paying managerial and leadership positions. Many younger university professors possess theoretical knowledge of the development field but lack experience in it and have little opportunity to acquire it. Professors who are process and facilitative specialists with good experience find ready employment at high fees as consultants to American business; few of these have time or inclination to turn their skills to international development, a field about which most are ignorant and in which employment is far less lucrative.

It will not be easy for the IPC Project and its contractor to access the pool of international development, facilitative, management specialists at every moment that a need is recognized or an opportunity arises. Nevertheless, only people with all these attributes can do the field work required by this project. Both the contractor and AID offices must be prepared to make adjustments in timing and program scheduling to reflect this reality.

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EXECUTIVE SUMMARY

Policy reforms have proved to be very difficult to implement, particularly as countries focus on broad scale sectoral policy changes. These can range from fairly specific mandates such as policies to increase credit availability to more general policies such as reforms of the civil service or policies to privatize the marketing of agricultural produce. The nature of the policies themselves make implementation difficult. Officials often do not agree with the reforms nor understand them and frequently there is a lot of uncertainty about how to implement them. They also pose organizational problems. Reforms often require implementing units to play new roles, make procedural changes, and work with other organizations. Finally, there is usually little political support for the changes. New policies often impose costs on visible, organized groups, at least in the short run. Resources are severely constrained, and many reforms go against prevailing norms.

Because of the complexity and uncertainty associated with the reforms implementors need to be flexible and make adjustments in their activities and in the policies in light of experiences. The problem is that most managers and organizations in these countries are unprepared to be innovative or flexible. Governing institutions are commonly weak, political systems are personalized and corrupt, private sectors are undeveloped, organizations do not think in terms of programs or performance, staff are not well trained, and bureaucrats try to protect their limited power bases, often through graft.

There is an emerging consensus within the development community that the best way to help LDC officials is to begin with a collaborative process. The purpose of the process is twofold. It enables implementing officials to plan a strategy for carrying out policies that is appropriate to the pressures and demands they confront in their situation, and it provides an opportunity for them to determine what kinds of assistance they need. The study presents a framework which lays out the steps in such a process. In doing so it draws on the growing body of experience with planning processes in developing countries in which participants diagnose their situation, identify priorities and plan a strategy. Such a process is essential to insure that the implementation process is fitting and to gain the ownership of those involved in it.

Planning processes, however, can pose some problems, especially if participants fail to take into account the considerable body of knowledge about management and implementation that has been accumulating. Therefore the framework has a second role. It lists a number of substantive issues that should be raised during the process. For example, participants planning how to implement policies to improve the

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delivery of inputs to farmers need to be aware of the variety of ways to do this, from relying on private organizations, to user fees, to turning the delivery over to the private sector.

Finally, a common framework can greatly assist the development community in producing some cumulative knowledge. Those providing technical cooperation can compare strategies, can begin to order their findings, and can suggest when one or another approach is more fitting.

The framework for a strategic process presented here is grounded in existing studies of implementation within the Third World. It is guided by several assumptions (see Part II).

First individuals are intendedly rational, but have a limited capacity for choosing the best course of action or carrying it out. Therefore organizational procedures are needed that can handle personnel, resources and information. At the same time individuals can learn and thus need to be able to adjust these procedures on the basis of experience.

Second, it emphasizes the need for strategic thinking. Because policies and their settings are complex and uncertain managers need to be strategic in anticipating political constraints and opportunities.

Third, it emphasizes ownership of the changes. A lack of ownership can be a serious problem in heavily indebted countries where officials often feel that policies are being imposed on them. A framework that lays out the steps and rationale in the process can help managers identify elements that are particularly relevant and thereby gives them more ownership of the implementation process.

Fourth, it points to existing knowledge about management. Process approaches can err in emphasizing consensus building at the expense of tapping into the broader reservoir of experience. The framework avoids this problem by listing substantive issues that implementors should consider during the process. These are drawn from the growing body of literature on development management and cover such subjects as decentralization and inter-organizational relations.

Part III describes the framework for carrying out a strategic process approach. It includes five steps: 1. Agree on a process for developing an implementation strategy; 2. Map or assess the situation; 3. Identify strategic issues; 4. Design an implementation strategy and determine needed skills and procedural changes; 5. Design procedures for monitoring results and making ongoing adjustments. The discussion reviews the rationale for each step, and presents techniques for carrying them out. A series of questions are listed for each of the steps

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that summarize the issues to be raised.

The framework can be used in two kinds of research (See Part IV). Implementing teams can carry out action research in order to document and learn from their activities as they proceed. Action research enables those engaged in the implementation to reflect on the process and learn in the process. Second, implementing teams can develop a more systematic body of knowledge about implementation by using the framework to design comparative case studies of their experiences. In order to learn more about implementation they need to address some specific questions including: What parts of the framework work well, and which need to be changed? What is the best way to introduce a process approach so that Third World officials understand it and can apply it? Under what conditions will organizations cooperate with each other? What are the best ways to generate feedback from field units? What techniques will insure that LDC officials have ownership of the process? How can implementation concerns be included in the regular policy planning process? The proposed methodology relies on annual workshops in which implementing teams discuss these questions and formulate some systematic means, such as matrices, to compile their results.

IMPLEMENTING POLICY CHANGES

I. INTRODUCTION

A. Changing Dynamics of Policy Reforms and Implementation

In the face of crippling economic problems that have reached crisis proportions during the 1980s, and strongly encouraged by external lenders and donors, Third World countries are embarking on extensive policy changes. The general purpose is to stabilize their economies and bring about structural adjustments to promote economic growth. The reforms have been widely debated both within the countries and throughout the international development community. Most of the controversy has dealt with the substance of the proposed policy changes and their intended and actual impacts. There is another aspect of the policy changes that is becoming increasingly evident, namely the difficulties of carrying out the reforms and insuring that they are sustained. There is growing evidence that officials may agree to a particular policy change and even make an effort to carry it out, but that the reform is unevenly carried out or never put in place or not continued for very long.

Problems in implementing the policy reforms were not widely anticipated. In fact macro economic reforms such as liberalizing exchange rates or eliminating government price supports were appealing because they presumably do not depend on government agencies to put them in place. Central ministries of finance and plan could implement them fairly easily once they agreed to do so. Using this logic, international organizations viewed the reforms as relatively "quick fixes" that would virtually implement themselves by generating private capital and stimulating recovery.¹

Experience has demonstrated that implementation is a far more serious problem. Consider a common policy reform to distribute foreign exchange through a market-like auction system rather than through government actions. Those responsible for auctions have to determine how much foreign exchange is needed, insure that the right amount is in the system, select which bidding system to use, establish mechanisms to absorb excess liquidity in the economy that would otherwise cause inflation, decide whether and how to limit imports of luxury goods, and insure public confidence in the auction.² All of these issues have to be dealt with in the process of putting an auction in place.

Implementation has become even more of an issue as international organizations and donors turn to policy changes at

the sectoral level. By 1984 it was clear that stabilization and macro economic policy changes would not be sufficient to reverse the increasingly serious economic problems in these countries. As a result there has been more stress on longer term structural adjustments to promote economic development. These include extensive changes within sectors, and involve a far more complex set of activities than the original so-called "quick fixes" did. They also pose major implementation challenges for donors who have relied primarily on project assistance in the past. Whereas projects identify fairly discrete tasks, implementors of policy changes have to make a broad range of decisions about HOW to implement the policies.

A brief look at policy changes to improve agricultural productivity, to stimulate the private sector, and to protect the natural resources, suggests the range of implementation decisions and problems that can arise. Consider the example of Guinea. This small African nation, severely underdeveloped and facing enormous economic deficits, has undertaken some far reaching liberalizing reforms. Prices for agricultural commodities have risen and as intended, they have led to increased farm production. Some of this increase reflects the slack that was already in the system, however. To have long term, sustained increase in food production, officials will have to undertake a host of related activities, such as improving the roads and marketing systems, and providing credit to farmers.

The World Bank, in a 1988 review of experiences with policy reforms, offers a similar analysis, arguing that price increases are unlikely to be effective unless complementary actions are taken to insure that credit is available, that roads and storage facilities are adequate, that research is relevant to farmer needs, that extension services are available to women producers, to name only a few critical conditions.³ Each of these supportive actions require initiatives by the managers in charge working through their organizations. For example, they typically require managers to delegate responsibilities and to set up procedures to communicate between ministry officials, field units and private organizations which provide the services. They require mechanisms to plan and coordinate extension services and ongoing research. Typically they require officials to set up linkages with farmer organizations to learn about actual needs of farmers and what kinds of additional assistance they need.

Implementation problems also arise with policy changes to privatize parastatals. Again policies that simply decree privatization are insufficient. Public sector managers typically need to create an environment that motivates the private sector to perform effectively. For example, they need to insure that credit is available, guarantee a predictable and supportive legal framework, enforce a rational tax system, protect private property, provide services such as roads and electricity.⁴

Implementation challenges also occur in the area of natural resources where policy changes typically are designed to encourage local conservation efforts. Managers need to carry out extensive education in local areas; they need to design appropriate incentives to get local community members to cooperate. They may need to develop new linkages to local communities, and to explore alternative ownership patterns to encourage conservation. Often they will need to stimulate relevant research and collect information that will allow officials to monitor impacts on the environment. They may need to explore and make available alternative sources of energy, or more appropriate technology. Most of these actions will require them to exercise considerable leadership skills and to negotiate among competing interests.

In a review of experiences with sectoral policy reforms, Joan Nelson documents that implementation has turned out to be far more complex than anticipated and that it creates severe problems for implementing units. Because stabilization and adjustment measures are carried out simultaneously and over a long period of time, the inevitable problems undermine confidence in government agencies. Many of the reforms create what appear to be permanent losers; expatriates often seem to be the primary winners and Africans feel they are losing control of their economy. Whereas stabilization measures are carried out by a few central ministries, structural adjustments involve a wider set of agencies, and there are more opportunities for bureaucrats to "drag their feet" and obstruct the reforms. ⁵

Implementing policy reforms involves a daunting series of tasks. In the meantime, the governments in these countries typically have a very limited capacity for being innovative and an equally limited financial base. The characteristics of policy reforms described above, compounded by the weaknesses in the structures, go a long way to explain why policy reform implementation has been so uneven. Consider the conclusions of a study of policy reforms in Ghana, a country that has been relatively successful in its reform efforts, Callaghy notes that "the pervasive administrative weakness of the Ghanaian state has greatly limited the program. It has affected policy formulation and, above all, implementation. Medium and long-term government planning has been almost nonexistent. Even basic data gathering and analysis capabilities and accounting skills are very rudimentary. The most effective reform policies have been those that do not involve direct administrative action on a continuous basis."⁶

He notes similar problems in Zambia. "Sheer administrative weakness can greatly threaten the effective implementation of an adjustment program. One striking example was the inability of the Zambia government over several years to collect bumper harvests of maize that resulted in part from increases of producer prices

which were part of the economic reform package. As recent World Bank data demonstrate, those elements of adjustment programs that have the highest rates of implementation problems are the ones that do not require sustained administrative action."⁷ Nicholas, in a study for the World Bank, confirmed this implementation lag. He found that "three-quarters of all adjustment loans are experiencing delays in release (of funds) as a result of delays in fulfillment of agreed conditions."⁸

The development community has been increasingly concerned with these failures by LDC governments and are trying to work more directly with existing program agencies to help them improve their capacity. In the past, donors tended to bypass the typically weak and cumbersome LDC bureaucracies by working through autonomous project units to carry out their projects. While there was always the hope that these temporary organizations would demonstrate to others how to implement activities, they seldom did this. Too often they served as alternatives with little connection to what went on in ministries and the activities were ended once external funding ceased. Now donors have more interest in working with and through program agencies in order to enable them to be more effective in the long run and to sustain particular innovations.⁹

Donors are exploring ways to assist implementation, primarily through technical assistance and management training. The World Bank has just commissioned a major study of the institutional development aspects of policy reforms and AID is proposing to build on its Performance Management Project. At the same time attention to implementation issues remains uneven and episodic. The Office of Technology Assessment in its 1988 review of this issue concluded that donor "support to improve African capabilities to participate in these decisions has not kept pace [with resources for reforms]. For example, AID's Africa Bureau expenditures for building African policy capabilities reached a high in 1981 and have declined since, although overall spending for reforms has continued to increase."¹⁰ In-house reviews of project plans by the World Bank and AID show very uneven attention to institutional and implementation issues.¹¹

B. Perspectives on Implementation

Implementation originally emerged as an important issue in the United States during the 1960s and 1970s as governments became more active in carrying out social programs and redistributing economic resources. At first, observers focused on the content of policies and asked whether they were carried out as intended. They soon noted that frequently policies were sidetracked. Organization theorists wrote about "goal displacement" and the ease with which managers reinterpreted policies to support the interests of their organizations even if

that meant compromising policy goals. It is important to remember that this interest in implementation grew out of numerous case studies showing how often well conceived policies were not carried out. It explains why these early writings turned to techniques such as evaluation strategies and management controls to hold officials accountable to the original policy design.¹²

The approach to implementation has changed in a number of significant ways. While there is still a concern that bureaucracies can subvert policies, more observers appreciate that many policies were never "implementable" in the first place and that their design is often a major problem. Policies, therefore, have to be designed to be feasible and to take implementation into account from the outset. Taking this line of thinking one step further, design and implementation are seen as part of a single, continuing process. Implementation itself involves learning and adjustment during the implementation process. This changed perspective alters the definition of implementation. Instead of asking whether an organization has carried out a policy as intended, one asks whether those charged with carrying out a policy have successfully dealt with the problems that arise. Have they developed the necessary organizational and management capacity and have they coped successfully with political challenges?

In summary, implementation has become increasingly important, while its meaning has been expanded to be more inclusive. It is not enough to carry out a well designed policy, it is also important to have a managerial and organizational capacity appropriate for the policy to insure that policies are adjusted in light of ongoing experience. A 1988 study by the Office of Technology Assessment notes that AID supports this revised view of implementation with respect to the projects it finances. "AID is also recognizing the need for more flexible implementation. Lessons learned from planning and implementing past projects and program have led to calls for less pre-planning and more flexibility to change activities during project implementation. Critics argue that excessive pre-planning leads to problems because plans may be over 4 years old before being initiated or there may be a reluctance to change pre-planned activities despite significant changed circumstances. 'Rolling designs' have been proposed as an alternative. In these, an activity, though still planned in advance, can be changed by its implementors to respond to local capabilities and constraints." ¹³

C. Characteristics of Policy Reforms

The nature of implementation depends on two broad issues. First, the substance of a policy determines the kinds of problems

that managers and organizations have to cope with. Second, successful implementation depends on the characteristics and capacity of the units responsible for the policies, and particularly whether these are appropriate to the policies.

Policy changes are often grounded in economic analysis, but they also raise profound political and organizational issues. There are at least three aspects of policy changes that determine how difficult they are to implement: the views of country officials, reflecting their political sensitivities and policy priorities; the demands placed on the implementing units, which typically exceed their capacity and threaten those in power; and the degree of support for the policies which often exact high political costs. Variations in these three dimensions determine what implementation strategies will be appropriate. Table 1 lays out these characteristics as a series of continua. Policy changes that fall towards the left of each dimension are fairly defined activities, ones that can be handled by routine procedures in organizations. Those that fall towards the right of each dimension involve much more uncertainty and conflict and adjustment. Most sectoral policy changes clearly fall closer to the right hand of each line.

Table 1. Characteristics of Sectoral Policy Changes

	<u>Defined Task</u>	<u>Open-ended Task</u>
<u>Perspectives of Country Officials</u>		
Agreement on value of policy	high	low
Understanding of the policy (varies inversely with complexity)	high	low
Knowledge how to implement or what technology applies	high	low
<u>Implications for Implementing Organization</u>		
Requires structural or procedural changes or improvements	no	yes
Requires new tasks or roles	no	yes
Involves working with other organizations - coordination, or sharing	no	yes
<u>Environmental Support</u>		
Political costs (number and political salience of "losers")	low	high
Availability of needed resources	low	high
Fits culture and norms	yes	no

1. Perspective of Country Officials

(a) Is there agreement on the value of the policy? Implementors may or may not agree that the policy has merit. The emphasis on individualism and efficiency typical of many reforms may run counter to traditional norms. Similarly policies to rely more on the private sector may violate long standing views of the role of the government in development. Studies suggest that unless a country has experienced a severe economic crisis, officials do not appreciate the need for many of the reforms. Callaghy observes that officials in Sub-Saharan Africa, in particular do not generally appreciate how marginal they have become in the international economy.¹⁴

(b) Is there an understanding of the assumptions and requirements of the policy or is the policy so complex that it is difficult to comprehend? Many proposed policy changes are based on complex economic arguments that are difficult to fully understand, and some are even counterintuitive to those not trained in classical economic theory. Studies of technology transfer emphasize the importance of a full understanding if people are to take advantage of new technology. It is not enough to be given a new technology; recipients have to understand the way in which the technology works in order to apply it in a new setting, making adjustments and changes as necessary. For this reason, Richard Nelson challenges the very concept of "technology transfer" because it suggests that recipients are passive.¹⁵ These reflections apply equally to policy reforms; local officials need to fully understand them if they are going to adapt them to their local settings and sustain them.

(c) Is there an understanding of the best strategy or technology for implementing a policy? Even if there is agreement on the value of a policy and broad understanding of its assumptions, it may still be unclear how to implement it. What is the best strategy for generating research relevant to local producers, for example? Or what is the best method for holding local officials accountable for spending funds without imposing rigid roadblocks? There are no single or easy answers to any of these questions.

2. Implications for Implementing Organization.

(a) To what extent does the change require the organization to assume new roles or embark on additional tasks for which they have little or no experience? A policy change, for example, may be intended to encourage more activity by the private sector. Implementing units may have to change their role from producing goods and services to stimulating and supporting the private sector. They may have to reorient their entire thinking about the role of the public sector. The new roles may be very threatening

if they require bureaucrats to give up activities that provided them with extra income on the side. ¹⁶

(b) To what extent does the policy change require new procedures or structural changes in the organization? A policy to encourage small farmer productivity might require an agricultural ministry to establish new linkages with local farmer organizations to determine their farming needs. Managers will need to develop a more flexible system of communicating with farmers, one that encourages feedback from the field level to higher level decision makers. Such procedural changes are always disorienting, and will typically threaten officials who have a vested interest in continuing their present positions.

(c) To what extent does the policy require the implementing unit to work with other organizations, inside or outside of the government? A policy change may require a ministry to delegate responsibilities vertically to field units, requiring new procedures of monitoring, of communicating information and providing feedback. Or the change may require a ministry to work horizontally with a number of units. These may be other ministries, or private sector or community organizations. Here the problem is that implementation will require coordination, communication and sharing resources. Inter-organizational relations are involved in many sectoral policy reforms. Managers may need to establish close linkages with communities and local organizations, to strengthen traditional groups, or even to encourage new ones. Many of these actions will place implementing units in an entirely new position. Suddenly they have to work along with and coordinate a variety of units and somehow balance the need for a rational approach to policy with the need to stimulate autonomy and self reliance within communities.

3. Environmental Support

(a) How politically costly are the policy changes? Answers to this question depend on the numbers and influence of beneficiaries and losers. For example, some agricultural policy changes benefit small producers but may not be visible to officials nor organized to express their supports. The same policy often hurts urban interests who are far more organized and politically visible. Another problem is that policy changes may only benefit people in the long run, while the costs are immediate or short run in nature and thus more apparent. Lindenberg reports that people often perceive policies to hurt them, whether or not they do, and that even if they are told that they will benefit in the long run, they may suspect that the long run will never come. ¹⁷

(b) To what extent are additional resources needed? Additional resources include money for recurrent costs and for

maintenance of services or products. Managers have to be fairly creative in searching out additional resources, through user fees, in-kind contributions, private sector contributions, or grants. Resources also include more intangible political support and appropriate technology. Policy changes can require large measures of both of these.

(c) To what extent does the policy change fit with cultural norms and practices? Some policy changes challenge long-standing practices in the community. This is particularly true of policies to protect natural resources. Many planting and harvesting practices that harm the ecology of an area and are designed to be changed by policy reforms may be critical to the existing survival strategies of local residents.

Most policy changes at the sectoral level fall towards the right of the dimensions listed in table 1. There are almost always value disagreements or conflicting interests. Officials often perceive that the changes are being externally imposed on them and thus have little sense of ownership. The policies also involve complex and uncertain technologies. The changes require managers to undertake new roles, many of which threaten their established practices, losers are visible and organized, there are few available resources to cushion the effects, and the changes go against long established practices in the community. As a result, managers need to be flexible, to make changes in light of new information and initial experiences, to adjust policies to meet the views of relevant interests and available resources, and to experiment with new roles and responsibilities. While organizations need to be able to carry out routine activities effectively and efficiently, policy changes demand innovative management and organizations that go beyond "business as usual" practices.

An important clarification needs to be made at this point. Much of the literature on development management emphasizes this need for flexible procedures. Often however, "business as usual" in LDC governments is very limited, and they have not developed functioning organizational practices for even routine activities. Dichter, for example, insists that often very basic procedures involving accounting, recruitment, personnel need to be put in place, and that the emphasis on flexibility and participation in decision making can overlook these very basic needs.¹⁸ For this reason, it would be wrong to conclude from Table 1 that policy reforms only involve flexible, open-ended and participatory practices. They may also need some very basic and fairly routine procedures for handling the more defined aspects of the policy changes.

D. Characteristics of Public Sector Managers and Organizations

The above demands are difficult for organizations to handle in any setting. The literature on implementation within the United States is replete with studies documenting the extent to which policies are not implemented, and the difficulty that organizations have in responding to new demands and in being adaptive and innovative. It is even more difficult for organizations in most Third World situations to meet these demands.

First, these countries have notoriously weak governing institutions. Typically they were left almost totally unprepared for self governance by colonial powers. They inherited hierarchical and centralized institutions that thrived on routinized bureaucratic procedures and that promoted rigidity and "going by the book" rather than problem solving. For the most part regimes have retained these rigid hierarchies, replete with stultifying red tape, and have even made them more cumbersome by hiring unneeded civil servants as a form of patronage.

Second, most of the regimes have had chaotic political histories, with frequent periods of violence and hostile takeovers. As a result officials are preoccupied with security and are unwilling to encourage further participation or to delegate responsibility to new units. In Sub-Saharan Africa, strong-man regimes have further weakened political institutions, with their emphasis on "personal rule which corrode bureaucratic and legal rationality and promote the misallocation of scarce public resources. Such political decay discourages investment and productivity, thereby impeding capitalist development."¹⁹ Goren Hyden attributes the problems in governance in Africa to extreme personalism with its "supremacy of sanctioned arbitrariness" rather than to weak bureaucracies per se.²⁰ The wrenching irony is that personal rule is a response to the lack of integration in these peasant societies, leading Sandbrook to ask, "What will hold these societies together when the rulers have little in the way of patronage to distribute?"²¹

Third, there are few alternative institutions within most of these societies that can either check or support government agencies. There are typically no effective opposition parties or effective legislatures that can hold agencies accountable, there is no active press, and the middle class and private sector are typically weak. One result is widespread corruption within bureaucracies and an accompanying alienation and cynicism about bureaucracies among the public at large.²² Another result is a lack of systematic feedback to bureaucracies about the effects of their policies.

Fourth, the norms and procedures within organizations discourage innovation. Officials are not used to thinking of

policy as a way to solve problems, nor to manage a policy in terms of performance. They do not think programmatically or relate separate projects to broader program goals. They tend not to be risk takers or to consider and compare alternative strategies. They are not accustomed to rewarding performance, or to linking salaries and job level with performance. ²³

Fifth, there is a dearth of well trained people to work in agencies. Those who are trained find salaries in the public sector far too low and find work elsewhere. If they do work in the public sector they are not well used and end up supervising large numbers of lower level civil servants in doing routine tasks.

Sixth, in addition to this general lack of a capacity for effective governance, bureaucracies have their own interests to protect. Officials are loathe to explore role changes that threaten their very fragile power base. Similarly the very low pay scales in most of these countries tempt them to use their jobs to exact private payments with the result that graft flourishes throughout the system.

In sum, policy changes associated with structural adjustments are fraught with political perils and place enormous demands on government agencies. The settings within which these changes are to take place are characterized by uncertainty and frequently by norms and expectations that run counter to the policy goals. Finally, the existing governing organizations are notoriously ill suited for dealing with these demands - for promoting changes, for remaining flexible, for experimenting, for adopting a problem-solving mode, for working creatively with groups in their environment.

E. A Framework for Improving the Implementation of Policy Changes

There is an ongoing debate within the development community about whether it is even possible to make institutional changes in countries such as those in Sub-Saharan Africa where institutional weaknesses are so severe. Traditional foreign assistance was designed to pump financial resources into these systems to stimulate their economic development. Many responded by saying that such pump priming is wasteful unless institutions are reformed or technical assistance is offered to manage the resources.²⁴ As a result international organizations and bilateral donors sponsored a range of efforts to improve management and organizations in these countries. Others responded by warning that they underestimated the serious problems in these societies.²⁵ The conversation among these points of view continues, generating new approaches to stimulating change on the one hand, and warnings that external groups are looking for quick fixes to seemingly intractable problems, on the other.²⁶

The development community has been accumulating a substantial body of experience about the best strategies for improving implementation. A number of particularly innovative efforts have been sponsored through AID's Performance Management Project. Evaluation studies by AID and other donors, studies in institutional development by the World Bank, writings by consulting and research groups have all contributed to a fairly impressive set of findings. On the face of it, they remain a fairly disparate set of strategies. At the same time, these studies demonstrate a growing consensus about the best way to improve implementation capacity. It includes the following assumptions:

1. A collaborative planning process should be set up that directly involves those who will be doing the implementation. This emphasis draws heavily on literature associated with organization development.

2. Because of the complexity of policy changes and their settings, implementors need to develop a strategy to cope with their situation and solve critical problems. This assumption draws from the literature on strategic planning, strategic management and systems analysis.

3. Implementation strategies should fit with actual tasks and situations. Typically organizations need to improve their basic procedures for managing personnel and resources and for collecting and handling information. Beyond this, they need to design procedures appropriate to particular policy tasks. This emphasis draws from contingency theory, public choice theory, and the organizational design literature.

4. Managers need to play a variety of roles and take a proactive role in implementing the policy changes. According to one discussion, public managers need to learn to work the "seams of the system," such as the relationships between administrators and policy makers, officials and donors, public and private units, government organizations and their publics, different administrative agencies. ²⁷ This emphasis draws from the management literature.

This accumulating body of knowledge can be brought together into a framework that does two things: First, the framework lays out a process for designing an implementation strategy. Second the Framework lists substantive issues that need to be raised during the process.

The process will be grounded in the experiences of the development community, and will draw from and integrate the kinds of process steps that have proved to be useful in the field. Steps in the process include: Mapping exercises, Identification of major problems, Design of a strategy to cope with the

problems, Design of a monitoring and learning process.

A process approach can pose problems in actual practice, however. It may promote consensus and interpersonal relations and overlook the importance of dialogue and learning. It may assume that participants have all the knowledge that is essential and that the task is merely to elicit it. To the contrary, participants may need to be introduced to a number of options and to new ways of thinking about their problems. A framework can avoid some of these problems, by laying out substantive issues to be addressed during the process and introducing different models for thinking about implementation strategies. Participants can then examine different studies, theories and findings and determine whether they will be useful in a particular situation.

By applying a common framework that deals with both a planning process and the substance of implementation experiences, the development community can integrate and build on its extensive knowledge base. There is a richly documented set of findings, but to date they have not been brought together systematically so that comparisons can be drawn and some cumulative knowledge gained.

The remainder of this study develops such a Framework, one that is grounded in the experiences and research on implementing development activities. It particularly draws from those experiences that are applicable to the complex innovations associated with sectoral level policy changes. Part II examines the theoretical grounding for a strategic process approach to implementation and reviews the literature on which it is based. Part III presents the proposed framework for putting such a process in place. Part IV outlines a research agenda associated with the process.

II. THEORETICAL BASIS FOR A STRATEGIC PROCESS APPROACH

A. Prescriptive and Process Approaches to Implementation

The framework proposes a process model for improving implementation. It is helpful to show how it differs from the several prescriptive models that have been applied to implementation. A prescriptive approach uses an analytic or theoretical model to prescribe the kinds of organizations and implementation strategies that will be most appropriate. Several models have been proposed. The most influential one promotes rationally structured organizations because they have a capacity for objective problem solving and can implement activities efficiently by relying on hierarchical lines of control. A second prescriptive model relies on contingency theory. It states that organizations need to be appropriate to the nature of the policy

and their immediate situation.²⁸ It provides valuable insights into the kinds of organizations that are fitting to specific policy changes but offers only general directions rather than specific guidelines.

A third prescriptive model has been increasingly influential within the development community. Based on economic analyses of organizational behavior, and often referred to as Public Choice theory, it provides a specific predictive model of organizational behavior and testable propositions about the kinds of changes that will improve implementation. The model has proved to be particularly insightful in providing a rationale for relying on local and private organizations to produce services and for injecting competition and accountability into public organizations.²⁹

Each of these models has some important insights and proposes some useful management techniques. There is no proven basis for choosing one of these over the others, however. Rather than imposing any one model, this paper proposes a process which allows participants to analyze their situations and decide when a rational, contingency or economic model is appropriate in their situation.

A process approach to improving implementation brings individuals together to diagnose their situations, identify their problems, and develop appropriate strategies. It assumes that a viable implementation strategy has to be designed by those who will be responsible for carrying it out. There are several reasons. First, responsible officials have first hand knowledge about implementation problems that outsiders do not have. Second, unless officials have a sense of ownership of the implementation plan they are unlikely to invest a great deal of energy in it. Third, long lasting, sustainable changes are much more likely if officials have a chance to make changes in their procedures and organizational structures in the process of implementing policies.

This paper proposes a process that implementing officials can use to design an implementation strategy that "fits with" the particular policy task they are charged with and the particular setting in which they are working. Briefly, it assumes that managers need to design strategies to solve specific problems and deal with what is critical in their particular situation. The emphasis therefore is on anticipating likely problems in carrying out their tasks, and designing a way to cope with the problems. The process will be described in detail in Section III. The rest of this section describes the literature and development management studies on which it is based. First it summarizes some of the findings in AID's studies on development management and then it describes three bodies of theory that provide the basis for the strategic process approach - bounded rationality,

strategic management, and organization development. It concludes by amplifying why it is necessary to develop a Framework rather than simply relying on an open-ended process.

B. Performance Management Project and Development Management Studies

A strategic process approach draws on and builds upon much of AID's recent experiences with implementation. Specifically, it is based on AID's Performance Management Project (PMP) which in turn drew heavily from the literature of strategic management and organization development.³⁰ While the PMP funded a variety of activities participants tended to agree on a number of points. First, managers need to focus on their performance, on what they are actually accomplishing, rather than adopt prescribed procedures or structures. Information about performance needs to be used by managers to adjust their activities. For example, in addition to knowing how much money is spent on trucks, it is important to know whether the trucks were useful, and to feed that information immediately back into budgetary and transportation decisions.³¹

Second, managers are more apt to change their organizations or their behavior if they participate in proposing the changes and learning from them. Being told about desirable changes is much less effective than being part of a process to design the changes. Third, such a process should begin by coming to a consensus about clear objectives and then deciding how best to achieve them. Successful implementation strategies combine some structure in the form of broad goals with flexible procedures for reaching them.³² Fourth, interactive approaches are a useful way to get better information and to gain the support of those necessary to the process. Some would add that for many development programs, local community groups and clients need to be included in that process. Fifth, design and implementation should be part of a single process so that project or program designers take implementation into account from the outset.

C. Bounded Rationality

The process approach described here takes a cognitive approach to management and organizational behavior. Cognitive and economic models are the two dominant models of organization behavior. Cognitive models assume that people are intendedly rational while economic models assume they act to maximize what is in their apparent self interest. As noted earlier, economic models are appealing because they have a specific model of behavior which they use to make predictions and propose testable hypotheses. Such models can only be predictive, however, when they are able to define the content of peoples' interests and

motivations ahead of time. It is for this reason that economists assume that people maximize their self interest. This methodology overlooks some potentially important opportunities for promoting change. Cognitive models encompass a broader range of behavior than is contained in economic models and are able to take historical settings into account.

Herbert Simon's cognitive theory of bounded rationality provides a useful theoretical grounding for a theory of management. He proposes that people are intendedly rational or strategic, but that there are limits to their rationality. Both of these points are important -- the premise that individuals use their reason and are able to respond to ideas and learn from their experiences as well as the limitations on their reasoning. There are several implications of these assumptions. ³³

First, individuals are "teachable" and can be reached through ideas and persuasion as well as by economic incentives. This means that peoples' definitions of their interests and objectives will change and shift as they learn more information or have more experiences. People pursue their perceived interests, but these evolve and change. They are influenced both by economic incentives and also by ideas and new information. While individuals generally pursue their self interest, their definition of what is in their interest can and does change as they accumulate more information and increase their experiences.³⁴ It is therefore impossible to predict what a satisfactory solution would look like. It is more useful to focus on how people learn to define their interests and goals. In Simon's words, "the study of the mechanisms of attention direction, situation defining, and evoking are among the most promising targets of political research."³⁵

Second, people seek to satisfice rather than maximize their goals and interests. Because an individual's capacity for selecting rational strategies is limited, there is a tendency to select satisfactory responses. Cognitive rationality predicts that individuals will select actions that are appropriate to their situation and that individuals usually have reasons for what they do. The reasons may, but do not have to, reflect economic rationality.

Third, the limits on individual capacities and the tendency to satisfice enhances the importance of organizational procedures. As "satisficers," managers are usually not looking for the most efficient way to operate. According to Hirschman there is a lot of slack in most organizations meaning that managers are willing to get along at a far less than optimal level. Instead of responding to critics they may be pleased when dissatisfied customers exit--it simply means that the troublemakers are gone. Instead of improving their efficiency, organizations are apt to continue with business as usual. As a

result, Hirschman continues, competition is not necessarily the best way to improve organizations or to make them more efficient and accountable. Improved organizational procedures in handling information and personnel and resources are often more useful in helping individuals become more efficient.

Four, the theory implies that knowledge and expertise are dispersed among various parties. Because of managers' cognitive limitations it is necessary to rely on the expertise and knowledge of others, on stakeholders located throughout the organization, in the policy arena, or in the community.³⁶ It is necessary to include those who experience policy first hand, because they alone have what Hayek refers to as "time and place information."³⁷ Managers have to include different views, to consult with and involve those who will be using and adapting the information from the outset.³⁸ And because individuals respond to new ideas, management becomes a more interactive process. Managers can influence how people define their preferences and views. They not only provide incentives to satisfy peoples' immediate interests; they also interact with and provide leadership to shape those interests and views. It also means that research has to be more open ended and seek to understand why people behave as they do, what their preferences and goals are, and encourage their self understanding.³⁹

These assumptions are supported by recent theories of technology transfer. Imparting new skills will have modest impact unless people fully understand those skills and know enough to be able to adapt them to their situations. Technology is only truly "transferred" when individuals adapt it to their situations and not simply when they learn to carry out the original technology.⁴⁰ Echoing the emphasis in the performance management literature, people throughout the system "learn by doing."

D. Strategic management

A second body of theory, also grounded in a cognitive approach, extends bounded rationality. It has been developed for situations where managers find that their environment, or organizational setting, is changing and complex and even hostile to their efforts. It assumes that managers should go on the offensive as it were, and look for opportunities to be effective, and even to influence this setting by strategically looking for opportunities to pursue their policies. Managers need to approach implementation strategically by identifying critical problems and learning to solve those. It emphasizes the proactive side of management. Managers need to take their settings seriously and design concrete strategies for influencing what goes on in their environment.

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Strategic approaches can be carried out at several levels: ⁴¹

1. Strategic planning. Top officials come together to develop goals and implementation plans. Participants map their situations, assess the constraints and opportunities, and how best to deal with them. Plans may be developed in special retreats or planning sessions and reviewed and revised over a period of a year or more.⁴²

2. Strategic management. This variation involves managers throughout the organization in reviewing and changing management procedures, practices and structures to accomplish agreed on objectives. There is more emphasis on changes in actual management practices than in simply devising plans. Implementation plans may be formulated in special planning sessions, but ongoing adjustments will be made during the course of carrying out policies.

3. Strategic organizations. Individuals throughout the organization are engaged in reviewing and revising the purpose and design of their organizations. Members of other organizations that share responsibility for a policy, including beneficiaries, may also be included. Changes are made in organizational responsibilities and roles and some actions may be contracted out or delegated to others.

The framework proposed here assumes that strategic design needs to include both management and organizational issues, and that it is not enough to simply develop plans or goal statements.

Elmore's proposition that managers need to learn to work the "seams of government" is an interesting version of strategic management. As noted earlier he is concerned that managers learn to work more effectively in their environment by negotiating among the different parties that have an influence on policy implementation -- other agencies, clientele groups, political groups, donors, private firms and non-profit organizations, for example.⁴³ He continues that "working the seams" involves four sets of skills or competencies:

1. Managers need to master the technical core of knowledge in their fields including both analytic and management skills. These include competency in data collection and analysis and also in monitoring and managing people in the organization.

2. They also need to master what Elmore calls the institutional setting of their work in order to organize staff most effectively and to develop linkages with other organizations.

3. They need to be knowledgeable about the substantive

aspects of the policy they are implementing, and able to form working alliances with key groups.

4. Finally, they need to develop skills in various modes of influence which include communicating and negotiating with others as well as motivating them through leadership.

E. Organization Development

Many who focus on strategic management combine it with organization development theory with its emphasis on consultation and collaboration in developing goals and setting objectives. Organization development theory proposes that individual commitment depends on participation in establishing goals and objectives and implementation plans. Whereas bounded rationality theory emphasizes the need to include different views in any planning, this approach emphasizes the need to involve people in order to motivate them. It assumes that individuals will respond to opportunities to exercise creative judgment and responsibility.

A typical strategy is to set up work teams that include all those involved in carrying out a particular policy. They meet together, often in brainstorming sessions, to reach a consensus about their tasks, roles and strategies. There is an emphasis on developing interactive skills, on learning to communicate with other members. The emphasis on work groups in fact has been very influential in much of the work on development management funded by AID.⁴⁴ It has also been endorsed by many within the World Bank as the preferred technology in working with LDC officials. A recent World Bank publication describes the approach and its assumptions in some detail and refers to its broad application throughout the Third World.⁴⁵

F. Implications for Definitions of Management

The three theories can be summarized as follows:

1. Individuals do have a capacity for approaching problems rationally, but it is limited and can never be comprehensive. It is therefore necessary to get information from a number of those involved and to proceed incrementally, learning and adapting.

2. Any implementation strategy has to be designed to deal with a particular policy in a particular setting. Since most sectoral policy changes involve a fairly complex set of actions and take place in difficult and politically charged surroundings, those involved need to be strategic in their approach to implementation -- assessing problems and opportunities and focusing on critical steps where they can have some influence.

3. Bureaucratic energy and commitment to change are scarce resources and Third World officials are typically not used to taking a strategic approach to implementation. One way to overcome these limitations is to include those actually responsible for implementation as part of the planning process. Involvement has two purposes: to gain their commitment to the plans that evolve and to make sure that the plans deal with the actual problems the implementors are likely to confront.

4. The stress on cognition and learning, however, suggests that management involves more than people skills. It also requires appropriate organizational procedures for handling information and resources. Thus it is necessary to put in place practices in effective personnel management, data collection and analysis, and financial management.

5. Managers need to be proactive and play a variety of roles. They do not simply translate policy statements into actions. They have to engage in a broad set of activities ranging from analysis to organizational design to persuasion and leadership.

In summary, managers are intendedly rational, they make compromises, they develop strategies, they are responsible for a collaborative process of communication and learning. Experiences need to be monitored and learned from. Relevant information is dispersed among a variety of actors and comes out of the process of learning from experience. It is a process that involves collaboration and learning and that has to respect the limits on rationality. This broad and proactive view of management is consistent with the literature on development management. According to Paul, managers are responsible for translating policies into programs, designing implementation strategies, and deciding who should be responsible for implementation.⁴⁶ Warwick identifies management with initiative and flexibility. Kiggundu says that it includes both operational and strategic activities. Leonard includes leadership as an important element in management. Evaluations of USAID sponsored projects to improve agricultural research emphasize the importance of leadership and political entrepreneurship.⁴⁷ According to Austin and Ickis, managers are especially important during times of economic chaos, heightened expectations, and scarce resources.⁴⁸ According to Saasa managers often play a broader role in the third world than elsewhere precisely because public opinion is so ill informed in these countries and political institutions are so weak.

This approach to management is appropriate to policy changes based on the discussion of their characteristics. Table 1 emphasized the fact that a great deal of uncertainty surrounds policy changes and economic development. A process approach that emphasizes collaboration and learning fits with the lack of knowledge and the complexity and uncertainty associated with

sectoral policy changes. It fits with policy changes for a second reason. Developing country officials often feel that the policies are imposed on them. The model emphasizes the need to include them early in the process of designing how the policies are to be implemented.

G. The Need for a Framework

Thus far we have argued that implementation can best be improved by adopting a process approach in which those responsible for implementation engage in a strategic process to design their activities. A simple process approach to implementation and management has a number of limitations, however, problems that can be addressed by developing a framework to shape the process.

First, it is easy for processes to be dominated by external consultants. Many of the cases that describe applications of strategic management depend almost wholly on external, trained consultants. Outside experts with process skills can be important resources: they bring a fresh perspective, they have a repertoire of skills to stimulate interaction and discussion, and they are less likely to have a vested interest in existing procedures or activities. There is the danger, however, that they may create a dependency, that they may unduly mystify the process, or that the procedures may become more important than the substance of the plans.

In reality there is nothing obscure or particularly sophisticated about many of the steps in strategic planning and management. Most are based on common sense and managers may find they already engage in some of the elements of the process on their own. By laying out the steps in the process a framework is one very simple way to demystify that process and involve participants as early as possible. The general literature on strategic management and development management include a number of such frameworks.⁴⁹ The framework described in Part III is based on these studies. It specifically uses language that should be natural to managers and tries to avoid the specialized language associated with some process models. The purpose of the framework is to describe to managers what is involved, help them identify elements that are particularly relevant to them, and give them more ownership of the process. It allows them to determine where external consultants will be useful and to negotiate more effectively with outsiders for particular skills.

A second problem can arise with process approaches. There is a tendency to care more about reaching a consensus than in debating issues or learning new information. A typical process, for example, asks managers to diagnose their situation and relies on a series of group process techniques to encourage the

diagnosis. According to one statement, "This approach assumes that most of the information the participants need to solve the issue at hand already exists somewhere within the group."⁵⁰ While facilitators undoubtedly can and do interject new information, the emphasis is on eliciting perceptions and ideas.

There are numerous case studies and substantive research, however, that are relevant to most implementation experiences and that can assist such a diagnosis. Examples include studies on decentralization, financial management, organizational incentives, community development. The analytic or prescriptive models described earlier, such as contingency and public choice theory, also have useful insights to offer. It is not always clear how to introduce substantive information and analytic models into a typical process, however. The proposed framework specifically lays out a number of substantive issues to be raised and considered during the process. By including analytic categories that reflect current research on implementation and policy changes, it encourages participants to examine recent studies as well as to process the information they gather.

A third problem with process approaches is their dependence on the interest and commitment of senior officials. The preceding description of the dynamics within Third World bureaucracies noted the lack of creativity and insecurity and red tape that permeates them. There is no theory that allows us to assume that officials will be committed to realistically diagnosing their situations or developing creative strategies to implement policy changes. Much of the existing theory about organizational behavior in fact predicts quite the opposite, that bureaucrats will inevitably be caught up in consuming turf battles and protective power plays.

The proposed framework, however, assumes that there are some officials willing to take an innovative look at their activities and exercise some leadership in promoting such an analysis. It also assumes that officials are governed by a variety of motives. They may be so impressed by the problems they are confronting and by the "performance gaps" in their organizations, that they will be open to a new approach.⁵¹ There are, in fact, a large number of cases where officials have agreed to participate in such a process. Further by encouraging these officials to take ownership of the process, it can reinforce those who are willing to exercise some leadership in strengthening their capacity for implementing policy changes.

III. A FRAMEWORK FOR A STRATEGIC PROCESS: IMPLEMENTING POLICY CHANGES

This section lays out a framework for designing and putting in place a strategy to implement sectoral level policy changes.

The framework draws on the theories described in Part II and is grounded in experiences in developing implementation capacity in Third World countries. It assumes that specific policy changes can take very different forms and range from broad scale policies to promote civil service reform or expand the private sector to more specific policies to improve credit for farmers. It also assumes that successful implementation requires attention both to a general capacity for generic activities such as personnel and data analysis, as well as specific actions relevant to a particular policy proposal. While experimentation and adaptation are encouraged, the common framework allows implementors to develop comparative studies and cumulative knowledge across this variety of policies. (The use of the framework for comparative case studies is examined in more detail in Section IV on Research.)

The framework has five steps:

STEP 1. Agree on a process for developing an implementation strategy.

This step involves decisions about who should be involved, agreements about the value of strategic thinking and the steps in the process, and decisions about any assistance that may be needed.

STEP 2. Map or assess the situation.

In this step participants map the content of the policy, the setting, and the capacity of organizations to implement the policy and cope with the external situation.

STEP 3. Identify strategic issues

Participants select the critical issues that need to be dealt with to implement a particular policy.

STEP 4. Design an implementation strategy

Participants design a strategy to deal with the issues identified in step 3.

STEP 5. Design a process for monitoring results and making ongoing adjustments.

This step provides for continuing learning and adaptation during the implementation process. Since the information is fed back into the other steps, the entire process becomes cyclical and ongoing.

The rest of Part III describes each of these steps in more

detail. It draws from existing research and case descriptions to suggest why different categories are included. It includes examples of techniques that have been used in carrying out such a process and in applying strategic approaches in the Third World.

STEP 1. AGREE ON A PROCESS FOR DEVELOPING A STRATEGY.

This step has four elements: deciding who to include, agreeing on the value of the process, agreeing on the steps in the process, and deciding what kinds of assistance are needed.

A. Decide who should be involved.

Studies show that there is little chance of success unless top level officials are involved and supportive. Those with actual responsibility for implementing a policy, including mid-level managers, and even some field staff, should be part of this planning process. This recommendation for a broad involvement by the actual implementors is based on several propositions. First, those who are involved in the process are more likely to be committed to the strategies. Second, members involved in a design process are more likely to develop a consensus around a selected strategy. Third, people throughout an organization are important sources of information and feedback, both for mapping the current situation and designing an alternative strategy.

There are similar reasons for including clients and beneficiaries in designing an implementation process. Like officials located at different levels in the organization they have particular knowledge about existing practices and possible alternatives. Beneficiaries may also be able to break through the insular, bureaucratic mentalities of staff, and they may develop a greater capacity to take on responsibilities for carrying out or maintaining a policy.⁵²

Different people can be involved at different stages of the process. A strategic approach to improving irrigation practices in Pakistan used a series of workshops in several different provinces. The first involved 30 to 35 people from 12 or 13 organizations. They included both field and operational management levels from all of the implementing units. A second workshop brought together people from all of the implementing units, but relied on a smaller group to plan the operations. The plans devised by this group were then circulated among executives and policy level personnel for their approval during a third phase.⁵³

B. Agree on the value of strategic thinking.

If strategic thinking is a new experience, participants need to be introduced to its purpose and convinced of its utility. Given the inflexibility of most organizations in the Third World, this may be one of the most important steps. Strategic thinking, planning, and management have been developed in the United States, primarily within the private sector, and for large corporations. It fits fairly naturally with the orientation of many in the private sector who are used to thinking in terms of market strategy and discipline. It is more difficult to apply in the public sector where organizations are often larger, lack the accountability of markets, and are subject to more external pressures. It is even more difficult to apply in the Third World where organizations tend to be rule bound, and where managers focus on narrow, operational routines, and are less apt to think strategically.

The purposes of a strategic approach need to be introduced so that participants perceive it can help them address some real and immediate problems. This step usually involves the following: introducing the concept of strategic planning and managing; exploring what it can mean in practice and what its implications are; coming to some agreement that it is worthwhile to spend time on it. The agreement may need to include a list of items that will not be reviewed or placed on the table, at least at the outset.

C. Agree on the steps in the process.

Strategic management exercises can vary from a fairly short and structured event in which participants focus on a few specific aspects of a policy change to a more comprehensive and longer range set of activities to redesign an organization. The very concept of being strategic means that one selects critical areas to work on that are feasible in one's situation. Thus those planning such an approach will need to be strategic in deciding how to structure the process and how elaborate to make it. At the very least those planning it will need to review the framework proposed here and agree on which parts are most relevant to their problems and situation.

For those attempting this approach for the first time, a relatively limited effort may be valuable to introduce the approach and to give participants a positive experience that they can learn from. One of the decisions they may eventually make is to undertake a more extensive strategic planning and management process. The point is that strategic planning can be a very costly activity in terms of time and interpersonal activities. Reducing complexity may be very valuable. At the same time changes in thinking take time and little may happen if the

process is too restricted.

D. Decide what kinds of expertise or assistance are needed.

The literature on strategic management focuses on process rather than substance. Processes are important to encourage people to interact creatively and outsiders with particular process skills can be very useful. In addition, there may be a need for substantive expertise, for assistance from people with knowledge and experience in a specific policy area and its technical aspects. If a policy deals with changes in the management of natural resources, for example, it may be useful to bring in people with knowledge in this area, who have a familiarity with similar efforts and specific technology. It may also be useful to bring in people with expertise in specific management strategies such as financial management and information systems, as well as strategies such as decentralization or developing community organizations.

Relevant expertise may only become evident at later stages in the process. It is here listed as a separate step in the planning process for two reasons. Participants should have a say in deciding what kinds of expertise they need and different consultants may come in at different points in the process. It is important not to assume that those who do the initial planning are the only resources to be made available. Decisions about needed expertise should come out of the process.

Techniques for carrying out Step 1 include the following:

Someone has to initiate the process, usually high level or key officials. They may sponsor the process themselves or assign it to others to carry out. Proponents usually begin by stimulating implementing staff to reflect on their current practices and identify problems they are having. Then they briefly present the purpose and logic of strategic thinking and management. Specific techniques include workshops where officials reflect on their present operating procedures and are introduced to alternative approaches. Another technique is for outsiders to interview officials about their jobs, feed the results back to them, and then ask them to identify the main problems they perceive. In a "learn by doing" approach, strategic management concepts are introduced to assist a organization with a specific task and officials learn about the approach while doing it.

In most of the available documented cases that describe steps in introducing strategic management in the Third World, external consultants rather than top level managers were the catalyst and took the initiative. Most have relied on workshops where teams are brought together to engage in the planning. While

many of the examples will refer to workshop experiences it is important to note that workshops are not the only technique. Interviews and small group consultations can also be used at various stages.

A report of a strategic planning activity in Pakistan to improve the management of irrigated agriculture described the entry phase as follows (adapted from original): "The entry phase varied from between one-and-a-half weeks to four days. During this period we attempted to meet with all the key actors in the province, as well as the project manager and his staff, to get their input, involvement, and support for the program; to identify who needed to be involved; to review the results of an earlier diagnostic study; to identify the concerns and issues that needed to be addressed. Typically we met with the Secretaries of Irrigation and Agriculture, the Chief Engineers, the Directors-General and the Directors beneath them, the operational counterparts of the CWM project manager in each line agency, and other key players at the operational and policy levels."⁵⁴

A report on a workshop to introduce strategic management concepts into the Ministry of Agriculture in Guinea noted the following steps. A team of expatriates began by informally talking with key individuals about their situation. They then held a workshop for senior officials including department heads, their assistants, chief financial officers of each department, the Director of Administration and Financial Affairs and their assistants, 15 people in all. They asked these officials to reflect on the purpose of a budget, and to analyze a specific line item budget to see what problems it posed. Then they introduced alternative ways to think about budgeting, and proposed an alternative procedure.⁵⁵

QUESTIONS TO ASK TO CARRY OUT STEP I

1. Who should be included?

Which top level officials?

Which mid-level managers?

Which field-level staff?

Should beneficiaries, community members be included?

Should members of the policy arena be included?

2. What is the best way to introduce strategic thinking to those who will be participating?

3. What aspects of the proposed framework should be included?

What adjustments or additions should be made?

4. What kinds of expertise are needed?

What process skills and who is available?

What substantive or sectoral expertise and who is available?

What managerial and organizational expertise is needed?

STEP 2. MAPPING OR ASSESSING THE SITUATION.

Strategic thinking and management can be overwhelming and intimidating and even produce "paralysis by analysis." Step 2, the mapping function, can be either comprehensive or focused, and those in charge need to decide how inclusive it should be. On the one hand it is important to be selective and focus on those aspects of the situation relevant to the policy change. At the same time, cases indicate that most implementation plans, including those designed by donors, err on the side of excluding important issues.⁵⁶ Some of the more qualitative aspects of a situation, such as the "mission of the organization," or the "cultural context" are commonly overlooked, partly because their effects are often subtle, and because it is hard to collect clear, quantifiable information about them. Nevertheless, they may offer the greatest stumbling blocks to implementation. Designers of a strategic management process, therefore, should justify why they choose to omit any of these categories from the mapping process.

Note that there are two kinds of information that can be collected during this phase. One kind of information consists of opinions about the different elements. Participants may view the situation from diverse perspectives or have different estimates of political trends. Where estimates differ, an important part of the mapping process is to collect the variety of views and determine areas of agreement and disagreement. Even if there are important disagreements about goals for example, there may be sufficient agreement on the major problems to forge a working consensus. It may also become clear whether the disagreements stem from a lack of information or from different values and interests.

A second kind of information useful in mapping includes descriptive data about the setting. Such data can be acquired from surveys, from interviews, from studies, or from collecting information in the community. Strategic planning models have tended to emphasize the value of sharing opinions rather than descriptive data, but some implementation problems require information about what is going on in the community or in a particular sector. The mapping sessions should identify the kinds of information that are needed and who should be responsible for gathering them.

There is an important caveat to be noted here. Strategic planning and mapping is more iterative than may be implied to identifying steps 1, 2, 3 and so forth. It is not necessary to exhaustively map a situation before going on to identify issues and design strategies. A preliminary mapping session may be sufficient to develop an initial pilot strategy to implement part of a policy, and will also produce further information about the situation. Thus the fifth step, "Design a process for monitoring results and making ongoing adjustments," may feed into and even become part of the mapping phase.⁵⁷

Three elements need to be mapped: the policy content, the nature of the environment, and the capacity of relevant organizations. One useful device for thinking about each of these is called SWOT analysis, an acronym that refers to Strengths, Weaknesses, Opportunities and Threats.⁵⁸ Participants can be asked to identify the opportunities and threats posed by each element in the setting, and to note the strengths and weaknesses in each element of the organization. Later in the process these items will be used to identify steps in the implementation strategy. For example, consider a policy to promote the private sector. The diagnosis may point to weaknesses in existing credit institutions, and also to strengths in local non-profit groups. A strategy might then be designed to help the non-profits develop a credit program.

Simply mapping or listing elements is not enough if they are to be successfully in developing strategies. They need to be discussed and analyzed.⁵⁹ A SWOT analysis recommends a matrix as a device to stimulate thinking and organize information, a practice that can be used throughout the mapping process. Matrices are charts with two dimensions that allows one to analyze the cells where items intersect. For example one dimension may be the objectives of a policy, and the other may be the SWOTs. For each objective one would consider the strengths, weaknesses, opportunities and threats. The following discussion notes some matrices that have been developed for thinking about implementation strategically. They are illustrative only, since the most useful matrices will often be developed by those immersed in analyzing a particular policy change.⁶⁰

A. Mapping the Policy Content.

1. Goals and objectives of the policy.

It is important to be very clear about the goals of the policy and the expectations of political officials. It is equally important to know how much leeway the organization has, what would be frowned on, what is not ruled out. Sometimes political institutions are fairly weak and implementing organizations have some leeway in defining and shaping the policy.⁶¹ At other times

political officials maintain tight controls and agencies have much less discretion.⁶²

2. Compatibility of the policy with the implementing unit's norms and sense of mission.

Some policies are compatible with the task that an organization is already performing, with its sense of mission and purpose, and some are not. For example, a policy change to privatize marketing of agricultural inputs may require organizations to undertake substantially different roles than they have in the past. It may stipulate that the organization should encourage the private sector or local communities to provide the policy. The role of the organization would change from providing the service itself to stimulating and encouraging these other units.⁶³ Such changes may be threatening to individuals who have a personal, and often a monetary, stake in continuing an activity. The extensive research on bureaucratic politics indicates that individuals are often loathe to make changes, and that significant inducements may be needed.⁶⁴ Policy changes may also offend officials' sense of the proper role of government in a society.

3. Nature of the service or activity, the benefits it should produce, and intended beneficiaries.

Participants need to identify the particular benefits or services or activities involved in the policy change. Often these aspects of a policy are left vague by the policy makers and can be determined by the implementors.⁶⁵ If the benefits consist of a set of services, it is useful to sort out those that are essential, those that have to be offered first, and those that are supplementary and may be able to be postponed.

4. Complexity of the policy.

A fourth aspect of the policy is its complexity, whether, for example, it prescribes a relatively simple task of delivering a specific service or a more complex task of changing behavior in a community. One framework developed for the World Bank lists the following aspects of complexity: variety of services, amount of change desired, whether there is a sequencing of tasks, whether the tasks can be well defined, the scale of the services, whether the services involve new activities, whether there are conflicting views about them.⁶⁶

Research on policy implementation experiences indicate that the degree of "institutional intensity" is an important element of a policy. Paul reviewed World Bank sectoral loans and

determined that they were "institutionally intense" if they "required organizational restructuring and policy capacity building," that is if the policy changes referred to changes in organizations. ⁶⁷

5. Degree of knowledge about how to implement.

A final aspect of the policy content to be mapped is the extent of knowledge about how to implement it. This characteristic concerns available technology or know-how. Is it clear what steps to take and are the effects predictable? Or as is more typical in policy changes, does the implementation process involve a lot of uncertainty, and an inability to predict what will happen? Are there known cases where the policy has been attempted and experiences documented? It may be helpful to invite experts in the policy to help with this question.

B. Mapping the Environment

A core part of the strategic process is to review the relevant and critical elements of the environment. It is important to focus on relevant aspects of the environment, namely those that can affect the policy either positively or negatively. It may be helpful for participants to distinguish among three aspects of the environment: parts that implementors have to take into account, parts over which they can likely have some influence, and parts where they exercise control. ⁶⁸

1. Beneficiaries

For many policy changes "beneficiaries" needs to be defined more inclusively than is the case with more defined and targeted projects. The beneficiaries of a privatization policy change, for example, need to include not only potential private owners, but also potential customers, and firms that will supply goods to the new units. There are three topics to be covered: their preferences or needs, the diversity among the beneficiaries, and potential assets they can provide.

Preferences and needs can be mapped both by asking beneficiaries what they want and by analyzing their present problems. Sensitivity to beneficiary needs has become increasingly important in agricultural policies, for example. Policy makers have learned that improvements in agricultural production depend on whether new research and technology address the actual problems that farmers face, rather than on how technologically advanced it is. ⁶⁹ Special efforts are usually needed to collect information about such groups, especially if they are physically remote or alienated from public programs. ⁷⁰

A mapping exercise to determine problems associated with irrigation systems in Pakistan used members of the implementing organizations to interview farmers about the problems they confronted. They described the following characteristics of the existing system in order to determine beneficiary needs: 1. Inequity of water supply; 2. Unreliability of water supply; 3. Inadequacy of water; 4. Watercourse losses; 5. Submerged outlets; 6. Very low use of inputs; 7. Farmer willingness to be involved in improving the system. ⁷¹

In describing beneficiaries and their needs it is important to determine the diversity among beneficiaries. Observers often generalize about beneficiaries and look at averages and general tendencies. In fact there may be important variations that need to be taken into account in designing services. There may be very significant differences between the wants and needs of women and men farmers, for example, that will have a major influence on the kinds of services that are needed. Similarly the needs of the poorest may differ from those with slightly more income. Tendler, proposes dividing the poor into three groups, so that information about those at the bottom is included, and Esman, reminds observers to look at the special needs of the landless. ⁷²

Finally, information is needed about the assets as well as the needs of intended beneficiaries. A study in the Philippines, for example, decided that a traditional demographic profile of community members -- income, size of family, etc. -- would not give managers the kinds of information they needed to promote development in the area. A survey of community members to find out how they actually earned a living would tell managers about the variety of coping strategies that had emerged in the community. Managers could then use this information to design the policy and involve community members in assisting with it. ⁷³

2. Stakeholders.

The concept of stakeholders refers to all groups with an ability to influence the policy either positively or negatively. The list is specific to each policy and can include local political interests, civil servants, labor unions, international organizations, revolutionaries, opposition parties, chambers of commerce, and so forth. The important aspect of mapping stakeholders is to be clear about the variety of groups with a stake in the process and to identify how they will affect the policy general, and whether they offer potential assets to those implementing a policy. Often implementors will need to find specific ways to address the negative effects of policy changes on stakeholders by compensating them in some way.

A recent study proposed a matrix which focused on the potential resources that stakeholders might offer. Participants first listed stakeholders. Then they indicated what transactions one might carry out with each stakeholder group. Transactions included: providing financial resources, providing physical inputs, offering political support, offering technical assistance, delivering services, providing publicity.⁷⁴ This approach leads managers to consider the ways in which stakeholders can be a help to them, rather than simply to develop a lengthy list.⁷⁵ It could easily be amended to include both political liabilities and assets. See Table 2.

Table 2. Matrix for Analyzing Assets of Stakeholders of Policy to Privatize Agricultural Inputs

<u>Stakeholders</u>	<u>Potential Assets</u>			
	Finances	Physical inputs	Political support	Service delivery
Farmer orgs.				
Private businesses				
Parastatals				
Banks				
Credit unions				
Donors				
Expatriate orgs.				
Chamber commerce				
NGOs				

3. Relevant trends.

Trends include socio-cultural, economic, political, ecological and technological developments. Is anything developing in each of these areas that is particularly relevant to the policy in question? For example, consider a policy to change wood gathering practices in order to prevent further erosion. Relevant environmental trends might include population growth patterns, changes in forestry practices, changes in land ownership patterns, changing technology in heating homes that would affect the need for wood, opportunities for additional ways to earn income. Participants need to review these trends and identify whether or not they pose opportunities or threats to those attempting to implement the policy.

4. Legal setting.

The legal setting includes both laws and regulations. Public policies are often affected by a number of legal constraints, particularly in Third World settings which can be heavily

regulated. For example, what regulations affect the use of common grazing lands, and how do they affect individual use of those lands? What regulations affect the expansion of banks into rural areas, and so forth?

C. Mapping the Capacity of Relevant Organizations.

Again, it is important to define this category fairly inclusively. A policy to provide incentives to protect the environment could involve several ministries, local organizations, universities and research institutes, private and non-profit sector organizations. The following categories can be used to analyze the capacity of such organizations. Participants can then assess the strength and weaknesses of the different elements and link these to the characteristics of the policy and the setting outlined in the above steps.

1. Implementing organization.

This element includes first, the skills, experience, and training of those in the organization. It also concerns the extent to which individuals are in a position to use their skills. Second, capacity refers to organizational procedures for implementing policies. The following procedures are most critical to policy changes: financial management procedures, procedures to recruit and train staff, to monitor performance, and to motivate staff and encourage participation.⁷⁶

A number of studies document the need to improve the basic operations in implementing organizations. For example, personnel procedures continue to be one of the weakest points in many organizations. Robert Klitgaard documents the difficulties in improving civil service systems and in rewarding good performance given the severe shortage of resources in these systems. He insists, however, that we need to overcome our "incentive myopia," our tendency to overlook the importance of incentives, and be willing to explore some second best solutions. As an example he notes that in Ghana the Railways Corporation "linked heavily subsidized packages of food to the achievement of measurable results for each worker and for the Corporation as a whole."⁷⁷ Thomas Dichter laments that development management has focused too much on interpersonal skills and overlooked the need for basic accounting systems and data analysis procedures and skills.⁷⁸

Again a matrix can be used to examine the strengths and weaknesses for each of these sets of procedures given the policy requirements and the situation. See Table 3.

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Table 3. Matrix for Mapping Organizational Procedures

<u>Procedure</u>	<u>Description</u>	<u>Strengths</u>	<u>Weaknesses</u>
Financial management			
Recruit, train staff			
Monitor, reward performance			
Motivate staff			
Participation			

2. Bureaucratic setting.

This factor refers to the place of the organization in the larger bureaucratic setting, its vertical relations with a program ministry, central ministries of finance and plan, regional organizations, field units and local governments. Mapping would lay out the various units involved in carrying out a policy and indicating how they divide or share responsibilities among themselves and how they are related to each other.

Observers of Third World bureaucracies note that finance ministries often insert numerous controls in the system in order to insure the integrity of the funds and cope with the widespread incidences of misuse of funds. The result is a hierarchical system with little delegation of authority. A diagnosis of the agricultural ministry in Guinea, for example, found that the results can be paralyzing. If a project officer in the field wanted to make a purchase he or she had to file 16 different request forms, creating excessive rigidity and explaining why often nothing was done.⁷⁹ The same report noted that because of widespread corruption in field operations, most efforts at bureaucratic reform emphasized the need for tighter controls by ministries rather than the value of more local discretion. Other studies confirm that field units are unable to adjust programs to local situations and opportunities and fail to take advantage of local energy and contributions.⁸⁰ All these relationships and their effects need to be mapped.

Again matrices can be a useful device for collecting such information. A project unit in Cairo charged to implement a policy to decentralize the provision of urban services in that city found that overlapping authority among government agencies was very confusing and inhibited action by any one unit. The implementors began by listing all of the tasks involved in

carrying out urban services such as assessing the need for services, drawing up designs for schools or clinics, hiring contractors, monitoring construction, payment of the contractors, and so forth. Then they made a list of all the units of government involved in service delivery. They created a matrix in which they identified which units were involved in doing each task; in this way they were able to sort out the different relationships and to identify points of tension and confusion. 81

3. Institutional setting.

This element refers to the broader set of organizations in a policy arena. They include private sector units, non profit organizations, community organizations. Since policy changes frequently require implementing units to delegate some responsibilities to other units, and also to stimulate and develop stronger private sectors this issue has become increasingly important in implementing policy changes. The fact that multiple organizations are involved is important because of the well documented fact that organizations find it exceedingly hard to work together. It is important therefore to examine both what units are potentially available and what innovations might induce them to cooperate with each other.

Four kinds of questions need to be raised in this part of the mapping:

- 1- What other units are presently involved in implementing the policy?
- 2- What other units are available to assist in implementation?
- 3- What incentives or reasons do they have, if any, for contributing to the implementation?
- 4- What problems and opportunities exist to encourage organizations to work together?

Participants could use SWOT analysis to indicate the strengths and weaknesses of each unit, what they could contribute implementation, and their incentives for doing so. For example, those implementing a policy to stimulate local agriculture might decide they needed to make more credit available to farmers. One study lists the following institutions that could be used to implement a more adequate credit scheme: "state agricultural banks, supervised credit agencies, national and regional development agencies, area pilot projects, crop purchasing authorities, various kinds of farmer associations and cooperatives, credit unions, commercial and rural banking systems, private processors and exporters, suppliers, distributors and dealers, village merchants, etc." 82 Those doing a strategic analysis could review such a list, determine which are relevant to the policy at hand, indicate the potential assets

that each unit could bring, and the reasons they might have for contributing to implementation.

Techniques for carrying out Step 2, Mapping the Situation:

As noted earlier, mapping needs to include both the perceptions and opinions of participants and descriptive evidence about the situation.

Information on opinions.

Strategic planners have developed a number of techniques for collecting opinions. These include brainstorming sessions and structured techniques for gathering information. Such techniques can insure that a few people do not dominate the sessions and that minority views are put on the table. Organizations commonly develop their own norms and views of situations and socialize members into looking at problems in the same way. Techniques for generating varied perspectives are one way to break through confining norms and allow members to look at events from alternative perspectives.⁸³ Several techniques have been designed to include the views of beneficiaries or minorities when representatives of these views are not part of the analysis. The most commonly used one is called the "snowball technique" or the "nominal group process."⁸⁴ The matrices mentioned throughout this section are another way to collect and organize information so that participants can see its implications.⁸⁵

Descriptive information.

Data collection techniques are similarly varied. In general implementors should be very strategic in defining the kinds of information they need, and avoid the common tendency to collect reams of data for their own sake.⁸⁶ They should consider using "rapid reconnaissance" strategies. Scientifically grounded data collection techniques may be unduly sophisticated for the kinds of information policy planners need. Those collecting data should consider using proxy measures and readily available evidence rather than become bogged down in overly sophisticated data collection strategies.⁸⁷

As noted above, implementors may find information about actual farming practices that they could gain from interviews and observations, to be more useful than traditional demographic data gained from surveys. "Critical incidents analysis" is a particularly innovative way to collect information about organizational capacity. Interviewers ask practicing managers to briefly describe critical incidents that they have had to confront over the past year. A team used this technique in southern Africa to develop a very revealing profile of the actual behavior of managers at different levels.⁸⁸

QUESTIONS TO ASK DURING STEP 2:

A. Mapping the Policy Content.

1. Policy mandate

What is the policy mandate?

What is expected of the organization?

What leeway is there to adjust the policy, and what is not ruled out?

2. Sense of mission

How does the implementing unit see its mission or purpose?

How well does the policy fit with the implementing unit's norms and sense of mission?

3. Policy benefits

What specific benefits is the policy designed to provide?

For whom are they designed?

4. Policy complexity

Rank the policy from low to high in terms of its complexity: the number of policy objectives, the amount of change involved, the ease of predicting and measuring what will result, the number of separate tasks, the level of conflict associated with the policy, the geographic scope.

5. Knowledge about how to implement

How much is known about implementing similar policies?

How certain can we be about the best way to implement the policy?

B. Mapping the Environment

1. Beneficiaries

Who are the intended beneficiaries?

What are their characteristics, and how do they differ?

What different approaches have they taken to deal with the policy problem?

2. Stakeholders

Which other groups have a stake in the policy or can influence it?

What assets can they provide the implementing unit?

3. Relevant trends.

What norms exist in the community relevant to the policy?

What are the economic trends in terms of resources and

balance of payments?
 How much political support is there for this policy?
 How politically stable is the regime?
 How much political opposition is there among organized groups to this policy?
 What trends are there in relevant technical know-how?
 What environmental trends are evident?

4. Legal setting.

What is the legal setting?
 What are the existing regulations in this area?

C. Mapping Organizational Capacity.

1. Implementing organization.

What analytic and managerial skills exist in the organization?
 What training and staff development is offered?
 What procedures exist to involve community members and lower level staff in decisions?
 What procedures exist for recruiting qualified staff?
 What kinds of data collection systems are in place?
 Are the data used to make management decisions?
 Is performance monitored?
 Are rewards linked to performance?

2. Bureaucratic setting.

How much autonomy does the unit have?
 How is it linked to the ministry?
 Does it share responsibilities with other ministries?
 What mechanisms exist for coordinating the unit with others?
 To what extent is responsibility delegated to lower levels in the organization such as field units?
 What control procedures exist?

3. Institutional setting.

What other organizations are involved in implementing a policy?
 What are their respective roles?
 What incentives exist for them to cooperate in promoting the policy?
 What mechanisms exist for joint planning and feedback?

STEP 3: IDENTIFY STRATEGIC ISSUES

Many designs for strategic approaches move directly from mapping to designing an implementation strategy. Others recommend an intermediary step in which participants identify those

particular issues that appear to be most critical and which they intend to tackle first. There are four reasons for including this step.

One it encourages selectivity. Since managers cannot do everything, they need to prioritize issues for the short and long range.

Second, it insures that managers focus on problems and not answers. Answers are proposed during the next step, when strategies are developed. This step insures that the strategies are chosen to deal with specific problems rather than because they are easy or because someone has a vested interest in them. A focus on problems assumes that implementors are not only motivated by their self interests; they are also motivated to overcome problems or improve situations.

Third, it encourages learning by doing or action research. This term suggests that managers have a greater chance of improving implementation if they work on actual problems that are immediate to them. Case studies of interventions to improve development management emphasize the need to identify specific problems and agree on specific objectives as part of the action research process. ⁸⁹

Fourth, it encourages areas of common agreement. Much of the literature on implementation emphasizes the need to agree on a set of goals and objectives. This may be not possible, but even so it should be easier to agree on problems that need to be dealt with. Some, with a little more realism, prefer to talk about situations to be improved, rather than problems to be solved.

The outcome of this step depends on the content of the policy being implemented and the degree of discretion that the implementors have. Assuming they have some autonomy, implementors can apply three criteria in selecting the issues or problems they intend to focus on: identify major problems, select areas where managers can make a difference, look for opportunities to be proactive, where leadership and innovation can change the situation. Some of these may be chosen as preliminary steps (or sub-objectives) that need to be taken before a policy can be tackled directly.

1. Evident problems.

On the assumption that the policy, environment and organizational capacity need to be fitting to each other, review the earlier mapping exercises and identify where the greatest tension points or incompatibilities lie in order to carry out a policy. Problems such as "performance gaps" can focus peoples' energies and demonstrate the need for and the urgency of change.⁹⁰ A study of education policy changes found that

different units are more apt to cooperate in implementing a policy if they agreed there was a problem to be solved. Such agreement turned out to be even more important than the capacity to solve the problem or rewards for cooperating.⁹¹

An analysis of financial management procedures in the agricultural ministry in Guinea produced the following set of critical issues that need to be dealt with to implement policy changes: the system of multiple and conflicting budgets needs to be simplified, financial allocations need to be made on the basis of budget requests, and not only available revenue, budgeting skills are severely lacking, there are extreme delays in disbursements, personnel records are very inadequate so that managers cannot measure or reward performance, and there is a lack of basic office equipment.⁹² Note that these examples involve a general capacity in the organization and are not unique to a specific policy. They are nevertheless critical capacities if any agricultural ministry is going to implement policies to improve production.

2. Make a difference.

Identify issues where a manager or organization can expect to have some influence or control. For example, implementors can ask whether the content of the policy can be adjusted, or what opportunities there are for developing new organizational units.⁹³ If implementors can identify a few areas where they can be certain of making a difference early in the process, they may be able to use these experiences to tackle more difficult issues later.

3. Opportunities to bring about change.

Implementors need to consider opportunities to change or alter the setting, to be proactive, rather than simply adapt to changes. For example, if intended beneficiaries are not interested in a particular policy change, the important issue may be changing their minds or learning more about their needs, rather than simply adapting to their lack of interest.⁹⁴ This third criterion may appear to contradict the second, but it does not. It simply says that managers should look for opportunities to exert some leadership and make changes rather than accept the prevailing conditions, but they should look for opportunities where they can expect to have some influence. The growing literature on leadership in Third World settings can be a useful resource.⁹⁵

Techniques for Carrying Out Step 3

The most appropriate technique is to build on the earlier mapping discussions and the analyses of existing problems and

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situations. Brainstorming and group process techniques described earlier can be helpful at this stage.

One study suggests the following procedure. ⁹⁶ Individuals begin by writing answers to three questions:

What is the issue?

What factors make it a strategic issue?

What are the consequences of failing to deal with it?

Participants are given time to identify these, perhaps as much as a week, after which they come together in a joint planning session. The separate issues are posted visibly for all to see and discuss. A two-by-two matrix can be used to compare them, using SWOT analysis, with strengths and weaknesses on one dimension and opportunities and threats on the other.

	Strengths	Weaknesses
Opportunities		
Threats		

Members use the matrix to analyze and compare the issues. Those with many items under strengths and opportunities can be tentatively proposed as the strategic issues and then discussed further.

QUESTIONS TO ASK TO CARRY OUT STEP 3:

What are the major tensions or problems?

Where can implementors have an influence?

What opportunities exist to make changes?

STEP 4: DESIGN AN IMPLEMENTATION STRATEGY

An appropriate strategy specifies how to deal with the strategic issues identified in step 3. According to contingency theory, implementors should adjust the content of the policy, the constraints and opportunities in the environment, and the capacity of the organization and management approaches so that they are appropriate to each other. For example, if a policy is designed for diverse groups of beneficiaries, and is fairly complex, the implementing strategy needs to allow for participation by different groups and for the delegation of some authority to field units and local organizations.

Section II noted that the organizational design literature and public choice theory offer specific guidelines about strategies for achieving such a match. Although most of their propositions are hypotheses rather than tested theory, they pose

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some useful questions and offer theoretically based categories to explore. The framework suggests that implementors consider making changes in the content of the policy, in the environment, or in the capacity of the organization and management procedures. Specifically they need to ask which changes would best deal with the problems or issues identified in step 3. Which are more feasible and deal with areas over which implementors can have some influence? The following sections are organized around the categories used during mapping process.

A. Policy Content

1. Goals and objectives of the policy.

Often adjustments can be made in the content of the policy. The major contribution that implementors can make in this regard is to encourage policy makers to take information about implementation into account when they initially design policies. Many policy changes are made using economic analysis and little attention is paid to the process or feasibility of implementing them. This issue leads participants to ask whether the knowledge they have about implementation can be used to adjust or alter the goals of the policy.

2. Compatibility of the policy with implementing unit's norms and sense of mission.

Many policy changes require organizations to pay much more attention to consumer demands or community inputs than they are used to. When this is the case a strategy will be needed to stimulate organization members to be more open to community or market demands. David Korten suggests that direct links with community groups may be the best way to alter ones sense of mission or operating norms.⁹⁷ Studies on making agricultural research more relevant confirm that direct linkages with communities are often necessary to make changes in this area.⁹⁸

3. Nature of the service or activity, the benefits it should produce and intended beneficiaries.

A number of strategies have been proposed for altering the ways in which services are designed or delivered. Public choice theory is a useful device for analyzing the demand characteristics of different policies and proposing ways to adapt to those characteristics. Generally they propose altering policies so that the benefits are "divisible" and "exclusionary." In such cases individuals will be motivated to purchase only that amount they want, to contribute to their purchase, and to maintain them. Some of the following strategies can be used to

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make benefits more "private:" user charges, assisted self-help, in-kind contributions, co-production.⁹⁹ A study of policy changes to promote decentralization lists the following options for financing activities which draw on the resources of different levels of government: general revenue, special levies, intergovernmental transfers, user charges, co-production, assisted self-help, in-kind contributions, revenue from productive activities, cooperative savings and credit, community fund raising.¹⁰⁰

4. Complexity of the policy product.

Complexity refers to the degree of change than a policy is trying to engender, the number of different steps that need to be taken, whether they need to be carefully sequenced and timed, and the number of different parties involved in the process. Policies can be made less complex in several ways: the range of benefits or services can be reduced, they can be sequenced, or they can be targeted to one or two areas originally and then replicated elsewhere.¹⁰¹

5. Degree of knowledge about how to implement.

When it is not clear how to implement an activity, managers can design the policy as a series of experiments. The point is to be willing to make mistakes, even to "embrace error," and to systematically learn from ones experiences. David Korten proposes a series of steps that promote organizational learning: develop a pilot project, improve its efficiency, then replicate it elsewhere.¹⁰² In a more recent study he proposes that smaller, non-governmental units may be useful in experimenting with different implementation strategies and then communicating that learning to government agencies.¹⁰³

B. The Environment

1. Beneficiaries.

Recall that beneficiary is defined broadly as any group that may benefit from a policy. Economic theory tells us that broad groups of consumers may be unwilling to contribute to policies even if they benefit from them, and hence special strategies may be needed to mobilize them. Recent studies on implementation emphasize the importance of looking for opportunities to educate and persuade beneficiaries. This approach contrasts with traditional economic models that accept preferences as given and try to match supply and demand. The recent thinking urges openness to opportunities for learning and for interacting with others to expand ones information and alter ones preferences.

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Managers and field staff may be an important resource to carry out this educative strategy.¹⁰⁴

2. Stakeholders

Strategies can be designed to mobilize stakeholders and gain their support, or to build coalitions among political interests. They can include compensating opponents, diverting the opposition to some other issue, coopting the leadership, sequencing or timing activities to blunt the opposition.¹⁰⁵

3. Relevant trends

If implementors find that political and technological trends may affect their activities, they may choose to design a strategy for scanning events so that they can anticipate problems that will arise. Weekly or monthly visits with individuals in a particular organization, for example, may provide important, up-to-date insights into changes in other sectors. They may establish advisory groups that draw on needed expertise, or maintain close contact with local research institutes.

4. Legal setting

Again public choice theory can provide a useful model to analyze different strategies for encouraging certain behavior and discouraging others. Consider policy changes in the environmental policy arena. Traditional regulatory approaches are often criticized because they discourage innovation and they require implementors or regulators to collect and analyze extensive amounts of information. Alternative strategies have been proposed that set targets and then allow organizations to decide how to achieve them, or that apply market forces to choosing among different ways to protect the environment. Other studies on regulation indicate that often the problem is not wilful abuse, but simply a lack of information. In those cases, it may be more useful for the government to design a strategy to bring different parties together and provide up-to-date information on the technological improvements.¹⁰⁶

C. Organizational Capacity

1. Implementing organization

The literature on organizational design generally describes two kinds of organizations -- a mechanistic, hierarchical arrangement and a more open-ended, organic, learning model. The argument is that certain activities are best carried out by one kind of organization or procedures, while other policy tasks are

best carried out by the other. Kiggundu, for example, describes how strategic planning requires very flexible procedures, while service delivery may involve a fairly routinized, pre-planned set of activities. ¹⁰⁷ A strategic approach to implementation, therefore, needs to identify the procedures appropriate for different tasks and design the organization accordingly.¹⁰⁸ Others who follow this same line of thinking add that often a combination of these two models is appropriate, one that provides some broad guidance, but allows more flexibility at the operational level. ¹⁰⁹

2. Bureaucratic setting

A number of strategies have been proposed to make changes in the relationships among different units within the government. Responsibilities can be divided up according to different functions, or around products or clients. Responsibilities can be assigned to autonomous units if they need to be protected from antagonisms within the bureaucracy. A final option is to design a matrix organization in which an implementing unit may be accountable to different lines of authority according to the function they were performing.

Public choice theory offers some useful guidelines for managers. In general it recommends arrangements in which management and service delivery are decentralized so that services can be closely tailored to local preferences. It proposes that those designing strategies examine the following options: privatization, deregulation of services provision, devolution to local governments, delegation to public or regulated enterprises, deconcentration of central government bureaucracy. ¹¹⁰

3. Institutional setting

Public choice theory also suggests that managers consider delegating services to alternative institutions throughout the system. One list includes the following options: private businesses, informal sector enterprises, contracting arrangements, private voluntary organizations, membership organizations, public enterprises, self-help groups, and market surrogates. ¹¹¹ Delegating services and responsibilities to other units has increased substantially in the past decade and most observers agree that it changes the role of government significantly. Much more energy needs to be spent facilitating and monitoring these other units and thus managers need to develop new strategies for working with other organizations who share responsibility for a policy with them. Delegation of authority can make implementation more complex by making it difficult to hold other units accountable for policy goals. At

the same time it can greatly improve the information available to managers, if the other units are seen as opportunities for learning and providing feedback about policy results. 112

Techniques for Carrying out Step 4.

Most of the process techniques suggested for the other steps can be used in the process of designing strategies. Participants will need to brainstorm, to collect a variety of views, and prioritize them in some fashion. Structured process techniques can be helpful in doing this.

The framework implies that techniques are also needed to incorporate substantive research and theories into the discussion. There are several alternatives: Involve substance matter specialists who can describe options. Arrange for a presentation of a relevant theory such as public choice theory and then use it throughout the strategy planning process to pose options. Lectures and assigned readings may also be used to explore some of the options.

QUESTIONS TO ASK TO CARRY OUT STEP 4

A. Policy Content

- What opportunities exist to simplify the policy objectives?
- Is it possible to divide the policy into a sequence of steps?
- Is it useful to plan a workshop in which implementors review their mission and norms? Should outside policy experts be included in this session?
- Can the policy be divided into a set of services that would then be offered one by one, or initially in a smaller target area?
- Could the policy benefits be simplified in any way?
- Do other units have relevant experience in implementing the policy that we should learn about?
- Who has the relevant knowledge?
- Can user fees be applied?

B. The Environment

- Do beneficiaries need more information about the benefits?
- Do the implementors need to involve the beneficiaries more directly in planning and implementing the policy themselves?
- Are there stakeholders who could be mobilized to support the policy more directly?
- What strategies could be used to compensate potential opponents?
- Do political officials need more information about

implementation problems?
 How can we make the legal setting more predictable?
 What changes in regulations need to be made?

C. Organizational Capacity

Does the implementing organization have the discretion to hire appropriate staff?
 What changes need to be made in the financial management system?
 Is it necessary to organize local groups?
 What incentives can be offered to encourage other organizations to contribute to the policy?
 What task forces or coordinating mechanisms should be established to encourage cooperation?
 Do other units lack important information that the public sector could provide?
 Are there additional sources of resources to be tapped?

STEP 5: DESIGN A PROCESS FOR MONITORING RESULTS AND MAKING ONGOING ADJUSTMENTS

In this final stage in the framework participants design and carry out procedures for learning from their experiences and insuring that the information is fed into and used by managers throughout the system. There are four choices to be made:

First, can the implementation process be designed as a series of pilots and experiments?

Second, whether or not implementation is broken down into a series of experimental steps, procedures need to be designed to collect and use data. Selecting performance measures can be a very critical step and needs to be done in close consultation with those responsible for carrying out an activity. The important question is to determine the information managers need to make adjustments in the course of carrying out a policy.

Third, policy makers also need to learn about the results of the policy and encouraged to review the goals and objectives periodically. Implementors need to have a strategy for collecting information that will be useful and relevant to the concerns that policy makers have. This may vary considerably from the information that implementors need on a daily basis, but it can critically important for longer range adjustments in policy goals.

Fourth, improve the procedures for reporting and using the information, for linking it to management processes and to decisions that need to be made. 113

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QUESTIONS TO ASK TO CARRY OUT STEP 5

- Can the policy be broken down into a series of steps and carried out sequentially so adjustments can be made?
- Can the policy be tried in one or a few areas so that it can be adjusted before being applied elsewhere?
- What information do field level staff and mid-level managers need to make adjustments?
- What information do policy makers need to review the policy goals and purposes?
- What are the critical decisions points when information is needed if it is to make a difference?
- Who will be using the information so that reports can be tailored to their needs?

IV. RESEARCH ON IMPLEMENTING POLICY CHANGES

The Framework presented in Part III is grounded in current research and a wide variety of experiences within the development community on implementing development activities. The framework can be used to carry out two kinds of research:

Action Research. Those offering technical assistance and those responsible for implementation activities can jointly carry out "action research" on their implementation experiences. The major beneficiaries of this research will be those implementing a particular policy change. It should provide feedback to the implementing organization and encourage them to make ongoing adjustments as they learn from experience. It should also help the implementing organization develop skills in evaluating their own performance so that these become part of their standard operating procedures.

Comparative Case Studies. The framework also provides an opportunity to conduct comparable and systematic research about the implementation process. Implementors can develop case studies of their implementation experiences. The framework allows them to design the cases to cover comparable questions. This logic in turn should allow them to propose and examine hypotheses about the best way to proceed with implementation.

This section discusses these two approaches to research in more detail.

A. Action research.

Action research directs participants to review their activities on an ongoing basis, reflect on them, and make

changes.

Action research has a purposive aspect and "embraces error." Implementors do not simply collect information about impacts and make adjustments. They identify ahead of time what they need to learn more about, and design their activities as experiments from which they can learn. For example, if a policy change involves stimulating private sector activity in marketing, the implementing agency could identify two or three different strategies. They would implement each of them on a pilot basis, monitor and reflect on the results. Presumably one or another would prove to be more effective. Thus managers know they are going to make some "errors," but that is intentional.

Clients and researchers collaborate in observing, reporting, and reflecting on activities. Descriptions are more important than comparisons of results with planned goals, as is done in traditional evaluation.¹¹⁴ One technique that is commonly used is called "process documentation," which is supposed to provide continuous information about activities. Its purpose is to provide "how to" information, and reflect on implementation problems, so that others trying to replicate or learn from the process could anticipate problems that would arise.¹¹⁵

David Korten and his associates working on a strategic management process in the Philippines, have extensively documented their use of action research. They assigned researchers to document what happened, to observe what meetings were held, to record what decisions were made, and so forth. Researchers relied on direct observation and unstructured interviews. Monthly reports were produced at most of the field sites, shown to the field staff and then sent to the agency to provide a narrative of problems and issues. The reports were not diaries but were built around issues raised by the project and defined by state-of-the-art knowledge about irrigation.¹¹⁶

B. Comparative case studies.

The framework stresses that implementation has to be appropriate to the particular setting and the opportunities present in a situation. As stated in Section II it has to take "time and place information" into account. The framework also emphasizes that those doing the implementation need to be closely involved in designing and learning from it. Case studies are the most appropriate way to conduct research on implementation because they stress contextual information and processes. The problem is that it is difficult to deduce more general learnings from cases. A common framework, however, allows the researcher to ask comparable questions, and to explore some general hypotheses.

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The focus of the research will be on implementation experiences. Below are a series of specific research questions. The central methodology to address the questions will be workshops that will be held once a year for the implementing teams. Specific research questions include the following:

1. An appropriate framework.

Presumably those involved in applying the framework will make adjustments in it. Some parts will work better in some situations than in others. Some groups may respond better to a process approach than others. Some groups will succeed in focussing the process to define a few critical problems, while others may have to work harder to avoid being overwhelmed by complexity. It is necessary to review the framework, to systematically collect information on which parts work better than others, and under what conditions. One result of this research may be a compilation of several versions of the framework. Another may be a presentation of the framework, annotated according to adaptations made under different situations.

An appropriate methodology for conducting this kind of research would include periodic workshops that bring implementors (consultants plus LDC officials) together to review their experiences and agree on common questions. For example, they may report that mapping exercises seem to be working well in most situations, but that some groups are having trouble focusing on critical problems. In that case the implementors need to concentrate on that portion of the framework where problems arise - should it be altered, when does it work well, what intervention techniques seem to be most useful? Alternatively they may find that the framework works well in helping a single organization develop an implementation strategy, but it works less well when several organizations are involved. Then participants need to use their experiences to propose changes in the framework for inter-organizational settings.

2. Introducing a process approach.

The framework engages participants in a problem-solving process. On the basis of the discussion of typical LDC organizations and management styles reviewed in Section I, it is obvious that most managers in the Third World do not practice this kind of approach to management, and indeed that it is alien to much of the existing culture and norms in their organizations. They are constrained both by different models of management in their systems, and by a lack of process skills. At the same time, the framework assumes that managers need to be more engaged in diagnosing their situations and designing strategies. A critical

question for research, therefore, is how to introduce what is apt to be a fairly radical approach.

First, research needs to provide descriptive information about the reasons why some managers find a strategic process approach comfortable or potentially useful. Conceptually there are several theories of management behavior. In a cognitive model people respond to new ideas and new information and are motivated by agreeing on a definition of common problems. In an economic model people respond to incentives, both positive and negative. In a participatory model people are motivated to action when they have participated in shaping a strategy. Because the framework assumes that individuals have a variety of motives, research can try to identify the circumstances when one of these models may be more useful than another.

The second question asks the implementors to compare the best way to introduce a process approach. Methods for introducing a strategic process include:

- having consultants carry out initial interviews and then present the results in a workshop;
- holding an initial workshop for top level administrators;
- working with individual managers who have been exposed to these ideas in out-of-country training events;
- using "arms-length" institutions to initially present the ideas and to conduct brainstorming sessions.

Comparative research needs to be done on the relative merits of these different approaches.

An appropriate methodology would be for the consultants and implementing officials to review these questions in a workshop. They could develop a matrix to organize their findings such as the following:

Techniques for Introducing a Strategic ProcessProblems to be dealt with

Inhibitions of managers	Constraints in organiza- tion proce- dures, norms	Constraints in the inter- organizational arena	Motives they appealed to (cog- nitive, economic, partici- patory
----------------------------	--	---	---

Techniques

- 1.
- 2.
- 3.

Researchers would systematically compare different techniques for introducing a strategic process according to their ability to deal with the problems identified in the matrix.

3. Learning When Organizations Will Cooperate

Policy changes frequently involve working with and through several organizations. Yet it is a well established maxim of organization theory that members of one organization find it difficult to cooperate with others. According to one recent study, "Agencies must be pushed or pulled into cooperation; they cannot be expected to embrace it naturally."¹¹⁷ Research on the conditions under which organizations do work together would be very useful. Much of the literature relies on exchange theory and says that organizations will cooperate in order to gain benefits, such as additional resources or influence.¹¹⁸ Another model proposes that organizations cooperate in order to improve their ability to solve specific problems, that common problems often draw managers to cooperate and that problem solving is more apt to induce cooperation than a cost-benefit approach.¹¹⁹ The experiences with implementing policy changes provides an opportunity for pursuing this research further.

A recent study illustrates a methodology that the implementing teams could use to study this issue. The author identified clusters of organizations with a common mandate that would presumably benefit from working together. She visited them and simply asked them whether they cooperated and why. She then organized her findings and found that four factors had to be present for cooperation to occur: they had to perceive a problem

that could be handled cooperatively, there had to be resources to enable them to work together, they needed organizational procedures to encourage cooperation, and there needed to be some external impetus such as a crisis.

The implementing teams could use a workshop format to examine their own experiences with getting organizations to cooperate. Do their experiences confirm this model or is another one more accurate?

4. Generating Feedback from Field Settings

Many policy changes require managers to gather first hand information about client or community preferences and needs and strengths. Studies of agricultural productivity, for example, emphasize that managers and researchers need to have first hand information about local farming systems. The fourth step in the framework specifically asks implementors to design procedures for collecting and analyzing information about the impacts of policy changes. Since most LDC organizations are structured around top down controls, rather than bottom up feedback procedures, this step will probably require a number of innovations. Research is needed on the kinds of procedures that can readily be put into place and which seem to work well.

Methodologically, implementing teams need to come together in a workshop, review this issue together, and organize their experiences into some meaningful matrix. A sample matrix is included below:

Kinds of Information Needed for Implementation	Information Bottlenecks	Organizations Involved
---	----------------------------	---------------------------

Feedback
Strategies
Used:

1

2

3

The question is how each strategy dealt with specific issues, what problems arose, and how successful they were.

5. Ownership of Process by LDC Officials

One of the core issues for implementing policy changes is that LDC officials often feel the changes are being imposed on them. One of the purposes of a strategic process is to involve them in planning an implementation strategy that will not only make better use of their expertise, but will commit them to the policy changes. Consultants are usually needed to carry out a process approach. One problem is insuring that client groups, in this case LDC officials, understand and have an ownership of the process. Research is needed to better understand how ownership is developed and to explore ways to insure that clients have a major role in determining what happens.

Consultant teams will need to collect responses from LDC officials about these issues. Methodologically it would be appropriate to schedule a workshop for LDC officials from several implementing teams to review, compare and assess the ways in which the framework was adapted to their situation, and how they perceived their role. It would be important for the officials to feel free to express their feelings in such a session, thus the workshop should be run by an external party rather than by the consultants involved.

6. Incorporating Public Choice Theory into a Strategic Process

Public choice theory proposes a number of ways to deliver services more efficiently. The framework suggests that the theory be introduced to implementing teams to stimulate them to consider alternative ways of providing services. Research is needed on the most effective way to introduce this theory. The consultants need to keep records of what steps they used to introduce the concepts and whether they succeeded in engaging the participants. These experiences should be compared during the workshops.

7. Comparative Case Studies and Action Research

The proposed methodology for dealing with each of the above research questions is to structure a workshop in which implementing teams come together, share their experiences, and try to organize it conceptually to provide some general conclusions or hypotheses for further testing.

The same workshops can also be used to contribute to the action research component. Assuming that workshops are held periodically during the implementation process, a final session during each workshop could be devoted to having each implementation team meet as a group and reflect on what they have learned from other teams that might lead them to make adjustments in their activities. Have any of the other teams had experiences

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that a given team should consider experimenting with? What do the teams want to learn more about, and would it be possible to add some innovations to their ongoing work in order to gain this information?

8. Integrating Implementation and Policy Planning

A central assumption of the strategic management literature and of the PMP project is that implementation problems need to be raised during the policy planning stage. Research is needed on ways to promote this integrated approach to policy planning. Each implementation team needs to assign someone to review this issue, to contact those involved in policy planning to assess what opportunities there are for a more integrated process in the future. Again, these results could be shared during the workshops, conclusions drawn, and some strategies proposed for improving the process in the future.

NOTES

1. Joan Nelson, "The Political Context of Implementing Policy Reform," Comments at a Workshop on Implementing Policy Reforms, S&T, Agency for International Development, May 17, 1989. See also her edited collection, Fragile Coalitions, Washington D.C.: Overseas Development Council, 1989.
2. Louise White, "Implementing Economic Policy Reforms," World Development Vol. 18, No. 1 (January 1990). These kinds of problems overwhelmed the efforts to introduce an auction into Zambia, although some charged that a few officials never wanted the auction to work in the first place.
3. Adjustment Lending: An Evaluation of Ten Years of Experience. Washington D.C.: World Bank, 1988.
4. Richard Sandbrook, "The State and Economic Stagnation in Tropical Africa," World Development, Vol. 14, No. 3, 319-332 (1986) p. 320. He bases this list on studies of actions taken by public sectors in the newly industrializing countries (NICs). The complexities of implementing policies to stimulate the private sector were stressed in a 1988 study by the Office of Technology Assessment of foreign assistance in Africa. "Important to private sector assistance will be opening the marketplace to multiple private sector enterprises and not just the conversion of non-viable public monopolies and their replacement with private ones. In some cases the public sector may continue to be necessary to serve resource-poor farmers and herders in commercially unprofitable and geographically isolated locations. Private sector assistance needs to be monitored and evaluated as to whether benefits are captured primarily by larger enterprises." Office of Technology Assessment, Enhancing Agriculture in Africa, OYA-F-356. Washington D.C.: Government Printing Office, 1988, pp. 139-140.

5. See fn. 1.
6. Thomas Callaghy, "Lost Between State and Market," Comments at a Workshop on Implementing Policy Reforms, S&T, Agency for International Development, May 24, 1989. See also his essay in Fragile Coalitions, ed. Joan Nelson, Washington D.C.: Overseas Development Council, 1989.
7. Callaghy, ibid. He refers to the review of policy reforms by the World Bank in 1988 cited in fn. 3.
8. Peter Nicholas, The World Bank's Lending for Adjustment. Washington D.C.: World Bank, 1988, x.
9. Louise White, Creating Opportunities for Change, Boulder: Rienner, 1987, Ch. 1.
10. Office of Technology Assessment, see fn. 4, p. 148.
11. Samuel Paul, "Institutional Reforms in Sector Adjustment Operations," Washington D.C.: World Bank, mimeo, March 1989; Patricia Vondal, "A Review of Social and Institutional Analyses on Non-Project Assistance," Bureau for Africa, Office of Development and Planning. Washington D.C.: USAID.
12. For a review of the implementation literature from the perspective of development management, see Marcus Ingle, Implementing Development Programs: A State of the Art Review, Syracuse University, 1979.
13. Office of Technology Assessment, p. 152; see fn. 4.
14. Thomas Callaghy, see cited fn. 6. See also White, fn. 2.
15. Richard Nelson, "On Technological Capabilities and Their Acquisition," Paper delivered at Conference on Science and Technology Policy sponsored by the Economic Growth Center, Yale University, March 1989.
16. Norman Nicholson and Edward Connolly describe the imperatives of rent seeking, "The Impending Crisis in Development Administration," International Journal of Public Administration Vol. 12, 1989, 385-425.
17. Marc Lindenberg, "Winners and Losers," Policy Sciences, forthcoming.
18. Thomas Dichter, Development Management: Pivotal or Fancy? Sorting Out Some Muddles. Norwalk Conn.: Technoserve, 1987.
19. Richard Sandbrook, "The State and Economic Stagnation in Tropical Africa," World Development Vol. 14, No. 3 (1986), p. 321.
20. Goren Hyden, No Shortcuts to Progress. Berkeley: University of California Press, 1983, p. 77.
21. Sandbrook, "The State and Economic Stagnation," p. 330.
22. Goren Hyden notes that in many African countries the government is an irrelevance to large numbers of the populace. No Shortcuts to Progress, see fn. 20.
23. These characteristics are documented in many cases. See, for example the analysis of government organizations in Guinea reported by Aliou Diallo, Mamadou Kante and E. Philip Morgan, "Organization Development and Management Improvement," Washington D.C.: NASPAA, 1988; the study of the need for incentives in Haiti by Derick Brinkerhoff and Arthur Goldsmith, "The Challenge of Administrative Reform in Haiti," International Review of Administrative Sciences, Vol. 54, No. 1, 1988, pp. 89-114; and

- the cases cited by Robert Klitgaard, "Incentive Myopia," World Development Vol. 17, no. 4, 1989, pp. 447-459.
24. See Dennis Rondinelli's useful review of the history of foreign assistance, Development Administration and U.S. Foreign Aid Policy, Boulder: Rienner, 1987; see also Milton Esman, "The Maturing of Developing Administration," Public Administration and Development, Vol. 8, 1989, pp. 125-134.
25. See references to Callaghy in fn. 6; Hyden in fn. 20; and Sandbrook in fn. 19, all of whom represent this perspective.
26. George Honadle and Jerry VanSant warn about the search for technical fixes, in Implementation for Sustainability, Hartford: Kumarian, 1985; and Derick Brinkerhoff adds a warning about the search for "management fixes" in "Implementing Integrated Rural Development in Haiti," Canadian Journal of Development Studies, Vol. 9, No. 1, 1988, pp. 63-79.
27. Richard Elmore, "Graduate Education in Public Management: Working the Seams of Government," Journal of Policy Analysis and Management, Vol. 6, No. 1, 69-83 (1986).
28. Samuel Paul, Managing Development Programs, Boulder: Westview, 1982.
29. See the collection of articles in Vincent Ostrom, David Feeny, and Hartmut Picht, eds., Rethinking Institutional Analysis and Development, San Francisco: International Center for Economic Growth, 1988; also see Nicholson and Connerley article cited in fn 16.
30. This literature is reviewed in Rondinelli, see fn. 24 and White, see fn. 9.
31. This argument is made in a number of publications by DFMC staff; see for example, Merlyn Kettering, Microcomputer Based Information Systems for Public Financial Management in Kenya, Alexandria, VA: Thunder and Associates, 1987.
32. Derick Brinkerhoff and Marcus Ingle, "Integrating Blueprint and Process: A Structured Flexibility Approach to Development Management," Public Administration and Development, Vol. 5, No. 2, pp. 145-156.
33. A recent discussion of bounded rationality is found in Herbert Simon, "Human Nature in Politics," American Political Science Review, Vol. 79, 1985.
34. This approach is supported by psychological theory that says that individuals often define their interests as they get involved in a situation; for example see Daryl Bem, Beliefs, Attitudes, and Human Affairs, Belmont, Cal.: Wadsworth, 1970.
35. Simon, see fn. 33, p. 303.
36. Martin Landau, "On Decision Strategies and Management Structures," Committee on the Study of Public Organizations, University of California, Berkeley, 1986; Paul Healy, "Interpretive Policy Inquiry," Policy Sciences, Vol. 19, 1986, pp. 382-296; and Douglas Torgerson, "Between Knowledge and Politics," Policy Sciences, Vol. 19, pp. 33-59.

37. F. A. Hayek, "The Use of Knowledge in Society," The American Economic Review, Vol. 35, no. 4, (September) 1945, pp. 519-530.
38. Michael Patton, Utilization-Focused Evaluation, 2nd ed. Beverly Hills: Sage, 1986; Ian Mitroff and J. Emshoff, "On Strategic-Assumption Making," Academy of Management Review, Vol. 4, no.1 (1979), pp. 1-12.
39. Louise White, "Policy Reforms in Sub-Saharan Africa: Conditions for Establishing a Dialogue," Studies in Comparative International Development, 1990, forthcoming. See also Healy and Torgerson, see fn. 36.
40. Many of these issues were raised at a conference on Technology Transfer, sponsored by AID and conducted by the Economic Growth Center, Yale University, March 1989. See especially the paper by Richard Nelson, cited in fn. 15.
41. David Korten presented a similar breakdown in an article on the merits of strategic organizations, "Strategic Organization for People Centered Development," Public Administration Review, Vol. 44, no. 4, 1984, pp. 341-352.
42. For example, see D.C. Eadie and R. Steinbacher, "Strategic Agenda Management: A Marriage of Organization Development and Strategic Planning," Public Administration Review, Vol. 45, no. 3, pp. 424-432.
43. Elmore, "Working the Seams of Government," see fn. 27.
44. The Development Project Management Center (DPMC) located in the Department of Agriculture (USDA) and the International Development Management Center (IDMC) located at the University of Maryland have been particularly important in documenting and promoting workshops. Among their many publications see Merlyn Kettering, Action-Training for Development Management: Learning to Do and Doing to Learn for Stronger Development Programs, Washington D.C.: USDA / DPMC, June 1985. See also Donald Mickelwait, Technical Assistance for Integrated Rural Development: A Management Team Approach, IRD Working Paper, No. 3. Washington D.C.: Development Alternatives, Inc., 1980.
45. Jerry Silverman, Merlyn Kettering, and Terry Schmidt, Action-Planning Workshops for Development Management, World Bank Technical Paper Number 56, Washington D.C.: World Bank, 1986.
46. Paul, 1982, p. 234, see fn. 28.
47. Louise White, "Institution Building to Improve Agricultural Research and Education," CDIE, Washington D.C.: Agency for International Development, 1988.
48. James Austin and John Ickis, "Management, Managers, and Revolution," World Development, Vol. 14, no. 7, 1986, pp. 775-790.
49. These include John Bryson, Strategic Planning for Public and Non-Profit Organizations, San Francisco: Jossey-Bass, 1988; Korten, 1980, see fn. 41; Samuel Paul, Strategic Management of Development Programmes, Geneva: International Labor Organization, 1983; Dennis Rondinelli and Middleton, "Decentralization Policies in Developing Countries," 1988; Dennis Rondinelli et.al., "Contingency Planning for Innovative Projects," Journal of the

American Planning Association, Vol. 55, no. 1, 1989, pp. 454-57; Derick Brinkerhoff and Richard Hopkins, "Institutional Dimensions of Education Sector Lending," Population and Human Resources Department, Washington D.C.: World Bank, 1989; Andrea Jones and Wayne Clyma, "An Approach to Management Improvement for Irrigated Agriculture: The Management Training and Planning Program for Command Water Management, Pakistan," Water Management Review, Spring 1986. The approaches also vary somewhat. Some are fairly exhaustive in the categories they include; others are more selective. Some are designed for particular kinds of policies or decisions, others are more generic. In general, their strength lies in helping officials sort out the variety of influences on policy implementation and gain some agreement among themselves. They are usually less successful in showing officials exactly how to develop appropriate strategies or what criteria to use to select among different views.

50. Silverman, et. al., Action-Planning Workshops, p. 5.

51. Jerald Hage and Kurt Finsterbusch, Organizational Change as a Developmental Strategy, Boulder: Rienner, 1987.

52. For some policies the concept of policy arena may be useful. Often implementation involves a variety of different parties and organizations. In these cases it may be more fitting to think of a "policy arena" or "policy network" than a single organization. The purpose is to involve individuals from various parts of the network in any planning strategy. If it seems that such a step will unduly complicate the process, it may be more useful to consider this broader set of groups later in the process, by mapping their role and by identifying specific strategies for working with other groups. See essays in Kenneth Hanf and Theo Toonen, eds. Policy Implementation in Federal and Unitary Systems, Boston: Martinus Nijhoff, 1985.

53. Jones and Clyma, 29-30, see fn. 49. This work was sponsored by Colorado State University and the University Of Maryland, and is part of the Performance Management Project, funded by AID. ~~See~~ cite their original report also, p. 24.

54. Jones and Clyma, p. 24, see fn. 49 and 53.

55. Report on Introductory Workshop on Program and Budget Planning, Ministry of Agriculture and Animal Resources, Conakry, Republic of Guinea, May 26, 1989.

56. Paul, 1989, Vondal, 1987, see fn. 11.

57. This is the core of the learning approach, best described by David Korten, "Community Organization and Rural Development," Public Administration Review, Vol. 40, no. 5, 1980, pp.480-511.

58. See discussion in Bryson, see cite in fn. 49.

59. Bryson, fn. 49.

60. Matrices as stimulants to creative thinking are described in Michael Patton, Creative Evaluation, Beverly Hills: Sage, 1981; and in Matthew Miles and A. Michael Huberman, Qualitative Data Analysis, Beverly Hills: Sage, 1984.

61. Oliver Saasa, "Public Policy-Making in Developing Countries: The Utility of Contemporary Decision-Making Models," Public Administration And Development, Vol. 5, No. 4, 1985, 309-321.

62. Samuel Paul emphasizes the importance of degrees of discretion, Managing Development Programs: The Lessons of Success. Boulder: Westview, 1982.
63. See Austin and Ickis study of Nicaragua for an example, cited in fn. 48.
64. For example, see R. Heaver, Bureaucratic Politics and Incentives in the Management of Rural Development, World Bank Staff Working Paper no. 537, Washington D.C.: World Bank, 1982.
65. See Paul's discussion of beneficiaries, 1983, cited in fn. 48.
66. Derick Brinkerhoff and Richard L. Hopkins, "Institutional Dimensions of Education Sector Lending: Guidelines for Management and Sustainability Assessment," for Population and Human Resources Department. Washington D.C.: World Bank, 1989, p. 20.
67. Samuel Paul, "Institutional Reforms in Sector Adjustment Operations," Washington D.C.: World Bank, 1989, p. 22.
68. H. I. Ansoff, R.P. Declerck, R. L. Hayes, eds. From Strategic Planning to Strategic Management. New York: John Wiley, 1976; William Smith, Francis Lethem, and B. A. Thoolen, The Design of Organizations in Rural Development Projects, World Bank Staff Working Paper, no. 375. Washington D.C.: World Bank, 1980.
69. Louise G. White, "Institution Building to Improve Agricultural Research and Education," CDIE, Washington D.C.: AID, 1988.
70. This point was made most graphically by R. Chambers, Rural Poverty Unperceived, World Bank Staff Working Paper, no. 400. Washington D.C.: World Bank, 1980.
71. Jones and Clyma, 1986, p. 19, see fn. 49.
72. Judith Tendler, Turning Private Voluntary Organizations into Development Agencies, AID Program Evaluation Discussion Paper, no. 12, Washington D.C.: AID, 1982; Milton Esman, Landlessness and Near Landlessness, Ithaca: Cornell, 1978.
73. David Korten and George Carner, "Planning Frameworks for People-Centered Development," in David Korten and Rudi Klaus, eds. People Centered Development, Hartford, Kumarian, 1984. Patton also discusses the value of asset analysis in Creative Evaluation, see fn. 60.
74. Brinkerhoff and Hopkins, cited in fn. 66.
75. Austin and Ickis describe how the private sector was viewed as an asset by the socialist regime in Nicaragua, cited in fn. 48.
76. See the study by Diallo et al cited in fn. 23; Kettering's discussion of financial procedures cited in fn 31; and Paul's discussion, cited in fn. 49.
77. Klitgaard, cited in fn. 23.
78. Dichter, cited in fn. 18.
79. Diallo, Kante and Morgan, cited in fn. 23.
80. For example see Edwin Connerley's study on rural roads in Bangladesh and other reports associated with AID's Decentralization: Finance and Management Project, funded by Office of Rural and Institutional Development.
81. Neighborhood Urban Services Evaluation Project, Final Report, Washington D.C.: International Science and Technology Institute, 1986.
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82. C. Gonzalez-Vega, Invierno: Innovation in Credit and Rural Development. Washington D.C.: AID, 1979, p. 8; Paqui Mosley, "Agricultural Performance in Kenya since 1970," Development and Change, Vol. 17, 1986, pp. 513-530.
83. Bryson, cited in fn. 49.
84. Mitroff and Emshoff, cited in fn. 38.
85. Patton, cited in fn. 38.
86. See Chambers, cited in fn. 70 and Patton, cited in fn. 38.
87. Chambers, cited in fn. 70.
88. John Montgomery has written a number of reports on this research; see "Life at the Apex: The Functions of Permanent Secretaries in Nine Southern African Countries," Public Administration and Development, Vol. 6, no. 3, 1986, pp. 211-222.
89. See references in fn. 44.
90. Hage and Finsterbusch, cited in fn. 51.
91. Janet Weiss, "Pathways to Cooperation Among Public Agencies," Journal of Policy Analysis and Management, Vol. 7, no. 1, 1987, pp. 94-117.
92. Diallo, et al., cited in fn. 23.
93. Smith, Lethem and Thoolen, cited in fn. 68.
94. Paul, 1983, cited in fn. 49.
95. David Leonard, "The Political Realities of African Management," World Development, Vol. 15, no. 7, 1987, pp. 899-910.
96. Bryson, p. 149 ff, cited in fn. 49.
97. Korten, cited in fn. 57.
98. See White, cited in fn. 47; See also Rondinelli and Middleton, 1988, cited in fn. 49; Korten, cited in fn. 57; Milton Esman and Norman Uphoff, Local Organizations, Ithaca: Cornell University, 1984.
99. There is a vast literature on this subject; see references cited in fn. 29.
100. Rondinelli and Middleton, 1988, p. 65, cited in fn. 49.
101. Rondinelli and Middleton, 1988, cited in fn. 49; Brinkerhoff and Hopkins, cited in fn. 66; Paul, 1983, cited in fn. 49.
102. Korten, 1980, cited in fn. 57; Landau, cited in fn. 36.
103. David Korten, "Third Generation NGOs," World Development, Vol. 15, Supplement, Autumn 1987, pp. 145-160.
104. Paul, 1983, cited in fn. 49.
105. Joan Nelson describes a number of options for working with stakeholders or diverting their opposition, "The Political Economy of Stabilization," World Development, Vol. 12, no. 10, pp. 983-1006.
106. Louise White, "Public Management in a Pluralistic Arena," Public Administration Review, Vol. 49, no. 6, November/December 1989.
107. Moses Kiggundu, Managing Organizations in Developing Countries, Hartford: Kumarian, 1988.
108. Paul 1983, cited in fn. 49.
109. Ingle and Brinkerhoff, cited in fn. 32. See also Bryson, p. 177, cited in fn. 49.

110. Rondinelli and Middleton, 1988, p. 65, cited in fn. 49. See also citations in fn. 80.
111. Rondinelli and Middleton, 1988, p. 65, cited in fn. 49.
112. White, cited in fn. 106; Elmore, cited in fn. 27.
113. Joseph Wholey, Evaluation and Effective Public Management, Boston: Little, Brown, 1983.
114. Anthony Bottrall, "The Action Research Approach to Problem Solving," Overseas Development Institute Working Paper, 1982; see also Solomon et. al., cited in fn 45.
115. Romana de los Reyes, "Process Documentation," Development Academy of the Philippines, 1983.
116. de los Reyes, cited in fn. 115.
117. Weiss, 1987, p. 94, cited in fn. 91.
118. Benson, cited in fn. 49.
- 119.. Weiss confirms this observation, cited in fn. 91.

IMPLEMENTING POLICY CHANGES

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September 1989

ANNEX 2
LOGICAL FRAMEWORK: IMPLEMENTING POLICY CHANGE

<u>GOAL</u> LDC's implement policies that enhance broad-based economic growth.	<u>Objectively Verifiable Indicators</u> LDC programs show changes of implementation.
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<u>PURPOSE</u> LDC organizations design collaborative, broad-based management strategies for policy change, and effectively manage the process of implementation.	<u>End of Project Status</u> LDC govt & private orgs in 8 countries have demonstrated use of strategic mgt analysis, decision making, and processes; they adopt new roles, improve procedures, performance; influence and collaborate with other orgs to facilitate implementation; knowledge and its use expanded; 6 resource institutions have contributed.
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<u>OUTPUTS</u> 1) Employing strategic management approaches and behavior, LDC managers orchestrate resources, incentives, systems, technology, skills and coalitions to carry out priority implementation tasks. 2) LDC management resource institutions and consultants learn and use strategic management concepts and practices; help LDC implem. managers apply them. 3) Application of IPC technical framework generates knowledge and experience which are fed back to modify, refine, and improve the the approach. 4) Research findings and guidance materials are prepared and disseminated.	<u>OVI's</u> 1) Managers use collaborative method to a) set organizational objectives, roles, and resource use, and b) influence other organizations and political groups to support policy implementation. 2) Mgt. resource institutions work with LDC policy implementation orgs. via ed., tng., research, consulting; demonstrate and support use of policy implem. needs anal. and strategic mgt. methods and processes. 3) Written products convey approach, methods; show changes, modifications in framework based on applied and action research, lessons of experience. 4) Diagnostic studies, research and guidance produced; conferences, workshops, newsletters.
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<u>INPUTS</u> 1) Long-term technical assistance for eight countries; short-term TA and training for 12 countries. 2) Applied, adaptive, and action research on strategic management issues and problems. 3) Assistance for and collaborative work with six LDC (country and regional) mgt. resource institutions. 4) Technical and financial support for professional policy implementa. networks in three LDC sub-regions, one in the U.S.	Program funds; OE funds; USAID, S&T/RD, AFR, and other A.I.D. staff time.
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Means of Verification

Economic and impact data of host countries, USAIDs and other donors.

Indicators for purpose and output levels: From elaboration of project framework, IPC develops indicators for self-assessment by policy implementors; these are vetted by project committee and an advisory committee by project year two. They are used with relevant documents and with interviews to appraise achievements of project purpose and outputs.

Documents: project-produced baseline data, case studies, annual reports from each long term country TC, donor and country records.

Documents: project-produced baseline data, case studies, annual reports from each long-term country TC, contractor quarterly reports, program records of management resource institutions end-of-project technical framework, IPC intellectual products

Annual workplans, annual, quarterly reports, research and TC reports, conference proceedings, newsletters and program documents.

Assumptions

a) policies are implementable; b) there are both sufficient political stability and political will to carry out policies; c) there is continuity in political direction.

a) There is sufficient continuity in managerial direction to enable individual and organizational learning; b) sufficient resources are available from the host country; c) donor support is continued at an adequate level, and d) the strategic management process is applicable, with modifications, in all countries.

There is sufficient congruence between: a) USAID funding and interest in the TC process, b) concerned LDC implementors, c) managerial authority and, d) public support. In hostile environments, sufficiently numerous and timely rewards from implementation can be mustered to assure continued commitment. A sufficient number of LDC resource institutions have program flexibility and available staff to participate

The project is able to establish initial relationships of confidence with HC implementors and USAID Missions where resources are available for extended work. Effective linkages can be made with complementary projects in relevant sector and economic policy analysis areas.

ANNEX 3

Mission Replies to State 266782 Requesting Advice
on Proposed Implementing Policy Change Project
and Presenting Outline of IPC PID

The twenty-five USAID replies to the outgoing ST/RD cable requesting advice for the Implementing Policy Change Project can be characterized as demonstrating:

1. predominant interest in, and support of, the new project concept;
2. considerable diversity in the expression of local policy implementation needs;
3. a very general concensus in recognition of the nature of policy implementation issues despite diversity in the focus and content of the replies and despite some minority views.

Mission replies were difficult to analyse in a systematic manner because responses to the five questions posed were not parallel. Some Missions responded directly to some questions, while other Missions implied answers to them. Some Missions made valuable expansive answers to certain questions, but there was not comparable input from other Missions on the same subject. Examples were numerous from some Missions but were not offered by others. Some expressed strong opinions in reply to a particular question; others did not respond directly to that question at all, although an answer could be inferred from their response to another question.

1. Implementation is a problem:

Of the twenty-four replies counted, all but three endorsed organization and management of implementation as an important area of concern. (This does not include Monrovia's one sentence reply: "no plan to undertake program of this type"). These endorsements varied in enthusiasm and certainty from those which very strongly supported the importance of the problem and the desirability of the project objective, to the more measured response of "we may be interested". Three of the twenty-four Missions agreed that implementation is important but stated emphatically that the cause of implementation problems is outside the realm of organization and management -- and presumably the remedy also. One of the three assigned the cause to culture and tradition, another to politics, and a third to unexpected external events "ranging from hurricanes to changes in U.S. policies". These three Missions either stated or implied that improved management of government's role in

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policy change, and in respect to these constraints, is irrelevant.

There were some interesting expansions of Mission replies to the question of whether implementation is a problem. One Mission noted that implementation is important even when there IS a high level of commitment; another that its importance is second only to intellectual acceptance of reform. Parallel to these opinions were those from other Missions who were uncertain about the importance of IPC concerns in relation to the lack of full commitment to changed policies (3 Missions) and to the lack of understanding or consensus regarding the changed policies (3 Missions). Two Missions noted that while some host countries are amenable to policy reforms in certain areas, they lack the capability to analyse the changes needed or the human resources to implement them after someone else identifies them. They noted that policy changes exacerbate already constraining managerial deficiencies.

2. Areas of Policy Implementation Concern

A very long and diverse list for consideration was compiled from answers to the following questions in the outgoing cable: "In what areas is implementation a policy constraint?", "In what areas are the Mission or other donors supporting policy implementation?", and "What additional components should be proposed for the project?".

This list varies with the degree of generality with which the problem area was described; it varies as to whether the objective, the means, or the functional arena was named. However, the list does demonstrate that pressing implementation needs are different from one country to another. It also shows that most items named have common dimensions: managing change, improving performance in areas important to policy implementation, improving functional linkages, improving strategy. The arenas ranged from agriculture; to cooperatives; to tax and customs administration; to natural resource management, including regulatory efforts; to public enterprises and their privatization; to public finance, central planning, and resource allocation; to transportation; and to municipal services. Also proposed were some clearly economic functions which are needed for policy implementation.

3. What Project components were endorsed?

Missions were asked to judge which aspects of the proposed project, as described in the cable, are important for a project of this kind and what changes they would recommend. A compilation of the replies shows that no meaningful pattern can be elicited from the responses, but that together, Mission correspondents saw a need for all of the elements listed in the

State cable.

Although a number of Missions cited direct support to LDC officials in managing policy implementation as the most important need, and others included reference to better research perspectives, most replies addressed the technical assistance component outlined in the cable. Fourteen TA components were listed in the cable, covering management-related technical assistance support to be provided in those cases where major implementation constraints are addressed. One respondent argued that the list of components was too long and a second suggested that it might be.

Many Missions stated that all kinds of technical support are needed; others pointed to specific types as particularly important. No pattern emerged from this selection other than its overall coverage of the TA proposed.

4. Additional issues

As to additional changes, elements, or modifications, some responses were cautionary: "IPC should be careful to complement other A.I.D. projects"; "It will be difficult to work in such a confidential area". Suggestions included one that the project name be changed because of host country sensitivity. Another Mission noted the need to clearly understand and quantify the respective gains and losses to private and public agents. Technical assistance was preferred over research, in spite of the usefulness of comparative research, "because of the urgent need to maintain momentum of change".

5. Collaboration

Missions were asked if, in principal, they would be interested in exploring collaboration with the IPC project. Fourteen Missions indicated that they had this interest. Four stated their strong endorsement of the project but noted that they would not be expecting to "buy-in" to it, at least in the near future. Five stated that they did not anticipate an interest in the project.

6. Sector

Missions were asked their opinion as to whether the project should focus on implementing policies in the agriculture and natural resources areas. Ten replied to this question. Five stated that agriculture or natural resource policies were a "logical" or useful area on which to concentrate. The other five either disagreed with concentrating at all, or noted that concentration on these sectoral areas would exclude their Mission from participation.

ANNEX 4

PID Guidance

The guidance for Project Paper preparation offered by those who reviewed the Implementing Policy Change PID, and who recommended its approval, fall into three categories:

1. Predecessor Project

The designers were advised to state clearly the relationship of the follow-on project to its predecessor, the Performance Management Project (PMP). It was recommended that a description of the PMP be included in the Project Paper.

Designers were asked to describe the basis for an expectation of large USAID Mission buy-ins, which the PID anticipated. The example of the ratio of buy-ins to core funding for the PMP provides a basis for comparison. This comparison is stated and the expectation of even larger buy-ins justified in Annex 7, Cost Estimates, Financial Plan, and Financial Analysis.

Inasmuch as the predecessor project worked in as many as fifty countries, it was advised that the Implementing Policy Change Project Paper indicate why its successor would work on a long-term basis in only eight countries.

2. Generally Applicable Guidance

Designers were cautioned to state clearly the gender issues related to project activities and impact. Also, the procurement mechanism (e.g., contract or grant) should be specified and described. Criteria for consultants and grantees should be provided. Criteria for buy-ins should also be set.

3. Policies Which IPC Will Address

The PID stated that to limit its range of activities, the IPC Project would address specific categories of policies, but that their designation would take place in Project Paper design. The PID limited the policies only to those which intend broad-based income growth, but it also held out the possibility that they would be further limited to policies in the agriculture, rural development, and natural resources sectors. Nevertheless, reviewers pressed these concerns, asking that the PP explain why specific sector policies were selected, and to explain whether both sector-level and macro-level policies would be addressed. The question of whether the project would work with private sector as well as government organizations should be clarified. Reviewers suggested many causes for implementation failure that were not organizational or managerial and asked how the project would deal with them.

ANNEX 5

Summary of Evaluation of Predecessor
Performance Management Project

The following statements or paragraphs are key statements excerpted from the Executive Summary of the PMP evaluation document.

"...the Performance Management Project provides a broad, 'thematic framework' for improving...program management, rather than a specific package of inputs and outputs. Within this broad framework, PMP has a number of laudable achievements. It has clarified diverse threads of development management theory and tested specific approaches for management improvement. It has mobilized human resources and improved capabilities for management improvement both in the United States and developing countries. It has provided management training, developed training materials, and strengthened management training institutions. It has provided field services that have enabled A.I.D. missions to better address difficult development management issues in their programs and projects. And, it has supported direct management interventions that have improved the performance of host country development programs.

"Yet development management has also proven to be a broader and less coherent field than PMP's designers envisioned, characterized by diverse and competing theories and alternative models, rather than a single, unified approach. It is a field that encompasses a wide range of management problems, which raise different theoretical issues and require different intervention approaches. It is also a field in which consultants must creatively cope with the unexpected exigencies of development management in practice. In retrospect, PMP's initial specification of applied research products proved over-precise. Some topics bore fruit, others did not, and entirely new issues emerged, reflecting the changing priorities and experience of A.I.D. in the 1980's.

"Nearly every A.I.D. activity has a development management dimension and management improvement implications. As such, nearly every A.I.D. activity is also a potential market for the knowledge and experience that PMP is accumulating. Given the complexity of development management problems, the importance of management to program sustainability, and the scarceness of management improvement expertise, there is a continuing high level of demand, and a lack of alternative sources, for much of the technical support PMP provides.

"PMP is also fundamentally a learning endeavor. Many questions about development management remain unanswered and PMP represents A.I.D.'s only effort to tackle these questions systematically. As in any research and development endeavor,

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each line of investigation has not paid off equally, but PMP has gained substantial new knowledge about how development management can be improved and how management improvements can be transferred. Several of PMP's field activities have resulted in management changes that appear to be enhancing the performance of development programs. Few of these management improvements would have been developed or tested without PMP's involvement."

"PMP's major publications successfully synthesized a wide variety of materials on development, organizational behavior, management, and training which had previously remained disparate. PMP made sense of a variety of competing paradigms, theories, and empirical data and focused on their relevance to development management practice. PMP did not, however, develop major new theoretical...breakthroughs."

"Other PMP publications provided more detailed explanations of particular management intervention approaches (particularly 'performance management' and 'people-centered and community development')."

"Several PMP papers identified important emerging issues and important new areas for management improvement (particularly the management of policy implementation, privatization, decentralization, and institutional analysis)." [emphasis added]

"PMP provided an easily accessible/fast response mechanism providing development management leadership, support, and assistance to missions. PMP successfully met a continuing high level of demand from the field, provided services of clear utility to missions and LDC organizations, and effectively demonstrated development management interventions combining a variety of management technologies."

"PMP strengthened indigenous management education and training institutions (particularly in Southern Africa, Asia, Paraguay, and the Dominican Republic)."

"PMP enhanced the capabilities of NASPAA, DPMC, IDMC, and associated faculty and consultants to provide management improvement services and increased professional interest, activity, and thinking in the development management field through a variety of networking, dissemination, workshop, and conference activities."

"Until recently, most applied research in development management was sponsored by the A.I.D., and other bilateral and multilateral donors consistently looked to the Agency for guidance. Now, however, A.I.D. appears to be relinquishing much of its leadership in development management to the World Bank."

The Bank has become more concerned with management and institutional development, particularly in Africa, and has established several new organizational units focused specifically on institutional and management concerns. The Bank has also begun shifting its attention from project-level management to sectoral and national program issues and problems of benefit sustainability. The Bank is currently devoting much greater resources than A.I.D. to development management, both in terms of the amount of research being sponsored and the number of direct hire staff with development management competencies.

"The Bank's development management efforts have relied heavily on previous A.I.D. and PMP experience, particularly DPMC's performance management, action training, and team planning meeting approaches. Several of the people now working on development management and institutional issues at the Bank were previously involved in PMP's applied research and field support activities.... Other knowledge and expertise developed through S&T/RD sponsored research are being utilized in the Bank's efforts to incorporate institutional concerns in sectoral and structural adjustment lending.

"At the same time, A.I.D.'s own resources allocated to development management have diminished. Should A.I.D. abandon an area in which it has a clear comparative advantage and in which the bulk of human resources are American either by training or nationality? Should A.I.D. cede leadership to an organization that is primarily concerned with the performance of governmental and quasi-governmental organizations? How will A.I.D. meet the growing demand for management assistance from developing countries that increasingly look to the Agency for support? Management has been a critical issue during the 1980's and will remain so in the 1990's. A.I.D. has done much to enhance the climate for management improvement in the developing world, but must still respond to the needs this improving climate has evoked."

Among recommendations made by the evaluation team were the following that bear on the IPC Project:

"PMP should continue exploring a relatively small number of new applied research topics that have high potential for application and high priority for A.I.D. Emerging topics warranting particular attention include institutional assessments, policy analysis, and management support for A.I.D.'s privatization, decentralization, and program sustainability initiatives."

"PMP should continue expanding management assistance resources, by: ... c. continuing to

disseminate improvements in development management through publication, conferencing, and networking activities; and d. encouraging and assisting selected institutions to improve their development management capabilities (as was done, for example, by involving more universities in management training initiatives)."

"PMP should continue efforts to strengthen LDC management education and training institutions, but should clarify its strategy and objectives. This should include more clearly delineated links between training improvements and program management interventions, including follow-ups to management training seminars."

"PMP should continue addressing the long term sustainability of [project implementors] and indigenous management institutions by encouraging broader support for their development management activities and, particularly, by emphasizing the use of local expertise and local training capacity, whenever possible."

ANNEX 6

ANALYSES

Social Soundness Ana

The Implementing Policy Change Project is designed to support implementation of those policies that have as their objective broad-scale economic or income growth. The term "broad scale" refers directly to widely-experienced income distribution as distinct from income growth that might benefit only a limited group within an LDC population. Broad-scale income growth further suggests that the immediately productive sectors of the population are the ones who should be expected to benefit from the policies for which implementation support will be provided. Policies that would transfer resources to non-productive or dependent sectors, however desirable such transfers may be in the long run, would not be given priority for implementation assistance under this project.

Immediately productive sectors obviously comprehend agriculture, manufacturing, commerce, mining, and natural resource conservation. They involve as well transportation, communication, banking, and other service sectors, including public finance. In many of these areas, particularly agriculture and commerce, women frequently constitute the principal work force but often have only a minor voice in decisions made by governments that affect them deeply, whether favorably or unfavorably. To neglect or ignore women's stakeholder groups is not only inequitable, it may quite easily result in implementation failure of important policy initiatives.

The IPC Project framework and process are based on involvement of all stakeholders, including women, in both policy choice and policy implementation. The fundamental proposition is that people, women as well as men, will support those measures which seem to offer them advantages or benefits, and to which they agree. They will give little support to, and may frequently oppose, policy changes imposed on them, or policies in whose choice they have had no part and whose purposes or objectives they do not understand.

Policies designed to transfer functions or activities from the public to the private sector may adversely affect women if resulting personnel actions favor the retention of men rather than being based on performance criteria. The PCI framework and process would seek to eliminate such discrimination.

It is quite common to find that particularly capable third world managers are women. The scope and opportunity of some of these managers is limited by tradition and practice. The IPC Project will encourage leadership of more able mana-

gers, whatever their gender, to the extent that such encouragement is within its purview. The question of leadership of women managers will be raised, where appropriate, in the action-research assessments.

In many countries, policies favoring the productive sectors are problematic owing to the predominance of particular ethnic groups in certain trades or economic activities. Implementation becomes extremely sensitive as efforts are made to assure that other groups have equal or equitable access to policy benefits. Strategic management of the implementation process can often anticipate such problems and design strategies for avoiding or overcoming them.

B. Administrative Analysis

The IPC Project will be under the direct operational control of S&T/RD with respect to all arrangements with USAID Missions and Regional Bureaus as to services to be provided by the contractor. Performance of the numerous supervisory functions which this relationship entails will be made possible by a PASA with the U.S. Department of Agriculture. The officer of S&T/RD who will have overall administrative responsibility for the project will be assisted under the PASA by a specialist in group processes with in-depth experience in forming, orienting, managing, and monitoring technical assistance teams, as well as participating in such teams as a professional in the field. This person will also have expertise in systems for organizing, funding, documenting, and accounting for technical assistance programs financed from multiple sources. In addition, the person will have experience in working with and relating to contractor organizations engaged in both substantive and process-oriented technical assistance.

C. Environmental Analysis

The IPC Project will provide technical assistance and training in strategic management, engage in management research, and conduct workshops and seminars, as well as provide guidance and related training materials from time to time. It involves no construction of facilities. Therefore, in conformity with Environmental Procedures, Regulation 16, Section 216.2 (c)(1) and (2), the project does not require an Initial Environmental Examination.

D. Economic Analysis

Inasmuch as the Implementing Policy Change Project is designed as instrumental to the successful achievement of the goals and objectives of other projects, as well as those of host country programs and policy initiatives, benefits will be

realized through the greater accomplishment of those projects and country programs. It is further to be noted that the nature of the projects and policy goals to which the assistance resources of the IPC Project will be directed cannot be known in advance of initial field reconnaissance and USAID Mission or Regional Bureau requests. Cost benefit analysis in these circumstances is therefore not possible.

a. Value of Benefits: Implemented Development Policies

The economic implications of many country policies, such as resource conservation, increased agricultural production, private enterprise promotion, or lower commodity transport costs, are very large and will amount to many millions of dollars if successful. Given the fact that large numbers of such policies have failed of implementation and continue to fall far short of achieving the purposes for which they were adopted, even a few successful implementation efforts resulting from IPC Project interventions are likely to produce benefits far greater than the entire project cost. If, as expected, the strategic management framework and process to be utilized by the project proves to be a successful means to assure higher levels of implementation success generally, the benefits to A.I.D., to the World Bank and other donor institutions, and particularly to the LDCs themselves, are incalculable.

b. Significant Benefits Apart from Implementation Success

Among the intangible but none-the-less significant benefits to be derived from the project are the following:

- o In each of eight countries, a number of government leaders and policy implementors will have been trained in the use of strategic management systems and processes and will feel ownership of them. They will be available to apply this knowledge and skill in implementing other policy decisions which their governments make in the future.
- o In at least six countries and in major sub-regions of Africa, Asia, the Near East, and Latin America, management resource institutions will be able to provide skilled support for policy implementation efforts by governments throughout their areas of influence.
- o In countries where the IPC project has improved implementation efforts, better use will be made of scarce resources, both material and human.
- o The knowledge about policy choice and implementation will have been strengthened and expanded and

made available to leaders and implementors throughout the world through books, journal articles, and other forms of publication.

o Professional networks in several continental regions will be engaged in continuous exchange of knowledge and experience regarding policy choice and implementation. These networks will belong to the LDC specialists.

c. Alternative Approaches to Same Objectives

A critical economic concern is the cost of alternative means of achieving better policy choice and implementation when compared with the estimated costs of the IPC Project as designed. Two possible approaches are: (1) very detailed implementation planning through technical assistance, and (2) extensive use of participant training to prepare policy implementors.

(1) Detailed Implementation Planning

The detailed planning suggested would be accomplished by international technical assistance specialists who would design in great detail all the steps to be carried out in implementing any given policy. The framework and learning process of the IPC Project would not be used, but host country officials would participate in the planning process to the extent they were knowledgeable about implementation issues or problems.

For many countries and situations, this would be a step forward inasmuch as host country officials would not be left to their own devices and bureaucratic procedures to figure out how to implement policy changes after choices have been made and analysts have departed. Such a process would doubtless improve implementation in some cases. There are major drawbacks, however. The approach is mechanical rather than dynamic, as it fails to involve organizations or groups apart from the agency responsible for implementation, even though they have key roles to play in the process. No analyses are made of stakeholder reactions, political feasibility, or the capacity of entities to carry out the roles expected of them. Most serious is the fact that this approach does not build ownership of any part of the implementation process by host country entities whose support and participation therefore remain problematic. Finally, the effort leaves behind no strengthened capacity for implementation either in the government or in management resource institutions.

The detailed planning or blueprint approach is not likely to improve the implementation record very much, particularly in the least developed countries. Furthermore, its

costs, difficult to measure, are endlessly repetitive, for no indigenous capacity is created to deal with the next implementation problem that arises. There is no capacity building.

(2) Participant Training

Another possible approach is to send to the United States for training persons who will be responsible for policy implementation in the expectation that upon their return home they will be able to carry out the needed implementation functions and activities. Training costs can be estimated if time and type of training are known, and they would likely be quite high.

Apart from the fact that there are few if any relevant training programs in this country, any training received would be largely theoretical and unrelated to the real-life situation with respect to the policy issues or the country of the trainee. A great deal of time would be consumed in the training process, and the need for implementation is now, not in some distant future. A still further difficulty is that of placing the returned trainees in the key implementation positions, plus the additional time lost in the task of translating what has been learned into shared perceptions and actions in the host country organizational setting. This particular approach holds little prospect of success and is quite impractical.

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Annex 7

7. Cost Estimate, Financial Plan and Financial Analysis

The IPC Project's agenda is organized around its work in LDCs. The costs for this work will vary as the opportunities, problems, and resources vary. That is, the number and difficulty of the issues addressed by assistance teams, the number of organizations with which they work, and the extent to which host country specialists take over and adopt strategic management processes in meeting local implementation needs all affect costs.

7.1 ST/RD Baseline Annual Budget (first full year; see FY 91 spread spreadsheet)Program Budget

Technical Cooperation	\$ 164,000
Applied Research (including publications and reports)	218,000
Dissemination and Networking	52,400
LDC Resource Institution Support	30,000
Administration (includes project direction finance, logistics, etc.) @ 22% (rounded).	102,200
(Evaluation- - average cost per year)	(25,000)
Sub-Total (Evaluation not included)	566,600
Contingency .(Handbook 3 App 3B-2)	<u>28,332</u>
TOTAL	\$ 594,932
TOTAL rounded	\$ 595,000

All amounts are in 1989 dollars.

7.1.2 Detail Budget (applicable to program budget above)7.1.2.1 Contract

(a) Personnel*

Strategic management specialists engaged in project direction, research, and technical cooperation, equivalent to 2.1 persons at average annual salary of \$64,000	\$134,400
Administrator responsible for logistics and financial matters at average annual salary of \$40,000 (80% on St/RD budget)	32,000
Clerical staff equivalent to one person-year at \$26,000 (80% on St/RD budget)	20,800
Total for Personnel	\$ 187,200

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(b) Overhead, fringe, fees, etc.	187,200
(c) Travel	45,000
(d) Equipment, supplies, publications	30,000
(e) Audit (annual average or biennial)	20,000
(f) Other direct costs	<u>12,080</u>
TOTAL CONTRACT	\$ 481,480
TOTAL CONTRACT rounded	\$ 481,500

7.1.2.2 RSSA

Technical specialist at \$44,200	\$ 44,200
Fringe benefits at 25%	11,050
Travel and per diem	15,000
Equipment	<u>8,000</u>
Sub-total	78,250
Overhead at 36% rounded	<u>27,170</u>
TOTAL RSSA	106,420
80% RSSA funded from St/RD's budget	85,136

SUB-TOTAL one year detail budget \$566,636

7.1.2.3 Contingency at 5% \$ 28,332

ST/RD Base year costs, without evaluation	594,968
S&T/RD Base year costs, rounded	\$595,000

* Note: Represents professional time¹ paid by ST/RD rather than full-time positions. For example, the project manager may perform research and technical cooperation with USAID funding as well as manage; researchers may be full-time employees who work on USAID Mission budgets for part of the year; and clerical staff will work part-time on Mission-funded and Regional Bureau-funded work.

.2. Explanation of Spreadsheets

The Estimated Expenditure Spreadsheet appears as page -6. To aid in understanding the entries, the following comments apply:

a. FY 1990 estimates are at 24% of the 1991 estimates inasmuch as the implementing contract will not be negotiated until mid-year.

b. The estimated annual budget for S&T/RD on pages 7-1 and 7-2 is used as the basis for estimates for FY 1991 on the spreadsheet.

c. Two calculations are made for FY 1995, the first providing for a full year's work under the assumption that it will be followed by Phase 2. This assumption is used for the project authorization. The second estimate assumes termination at the end of five years, and costs are calculated at 58% of the previous year's estimate, but with the following exceptions:

Estimates for technical assistance are decreased disproportionately in this final year because of the need to sharply decrease such field work before the project is terminated.

Dissemination and networking estimates are disproportionately increased because of the heavy emphasis on these activities in the project's final year.

d. Estimates on the spreadsheet for S&T/RD are increased after the first full year by 5% to accommodate estimated costs of inflation.

e. Administration costs are estimated at 18% of other costs (except contingency). S&T/RD is projected as paying 22% of its costs for administration. USAID Missions and Regional Bureaus are projected as paying 15% of their costs for administration.

f. Cost projections of Mission-funded technical assistance in year 1993 of the spreadsheet rely on the estimates shown in 7.3.2. below and as item "a" in 7.3.1. The spreadsheet projection assumes full engagement in seven countries at at one time an average rate shown in those tables.

g. The Mission-funded costs projected for in-country research, and resource institution

strengthening, as shown in year 1993 on the spreadsheet, are three times the estimates for one country found in items "b".

h. "Research" is shown in two places on the page 7-5 spreadsheet. The amount shown for USAID Missions is an estimate of the costs of applied research to support in-country technical cooperation activities which Missions may elect to finance. This category is explained in the section on Applied Research (a) on page 17. S&T will pay for the rest of the research agenda set forth in the project paper, except for some action-research costs which which are closely related to technical cooperation.

i. The spreadsheet on page 7-6 shows a schedule of S&T/RD obligations which will allow:

- (a) the S&T expenditures appearing on the first spreadsheet,
- (b) pipeline amounts just sufficient to finance each new fiscal year until new obligations can be made, and
- (c) the accumulation of sufficient funds during the early years of the project to cover the projected evaluation in FY 1994.

PROJECTED EXPENDITURES IMPLEMENTING POLICY CHANGE PROJECT

Inflation 5% included in years 92-95

	FY 1990			FY 1991			FY 1992			FY 1993		
	ST/RD	USAID MISSIONS	REGIONAL BUREAUS	ST/RD	USAID MISSIONS	REGIONAL BUREAUS	ST/RD	USAID MISSIONS	REGIONAL BUREAUS	ST/RD	USAID MISSIONS	REGIONAL BUREAUS
Technical Cooperation	40,672	250,000	11,000	164,000	650,000	210,000	172,200	1,600,000	265,000	180,810	2,430,000	
Research	54,064	10,000		218,000	100,000		228,900	200,000		240,345	210,000	
Dissem. & Networking	12,995	0	20,000	52,400		165,000	55,020	0	170,000	57,771		320,000
LDC Resource Institut.	7,440	10,000		30,000	30,000	25,000	31,500	35,000	30,000	33,075	40,000	40,000
Administration	25,338	40,500	4,650	102,168	117,000	60,000	107,276	275,250	69,750	112,640	402,000	54,000
Evaluation												
Sub-total	140,509		35,650	566,568		460,000	594,896		534,750	624,641		414,000
Contingency 5%	7,025		1,783	28,328		23,000	29,745		26,738	31,232		20,700
Total	147,534	310,500	37,433	594,896	897,000	483,000	624,641	2,110,250	561,488	655,873	3,082,000	434,700
Cumulative total	147,534			742,431			1,367,072			2,022,945		

FY 1994	Full Year if Followed by Phase II						For Stand-Alone Phase I			Six-Year Total for Stand-Alone Phase One			
	USAID MISSIONS	REGIONAL BUREAUS	ST/RD	USAID MISSIONS	REGIONAL BUREAUS	ST/RD	ST/RD	MISSIONS	BUREAUS	ST/RD	TOTAL FUNDING		
189,851	2,555,000		199,343	2,683,000		946,876	11,600,876	T.C.	115,619	1,800,000	863,151	10,634,151	
252,362	220,500		264,980	230,000		1,258,652	2,229,152	Research	153,689	133,400	1,147,360	2,021,260	
60,660		325,000	63,693		325,000	302,538	1,627,538	Dist&Met	36,942	0	298,000	275,787	1,573,787
34,729	45,000	40,000	36,465	50,000	60,000	173,209	578,209	LDC R.Inst.	21,150	29,000	25,000	157,894	506,894
118,272	423,075	54,750	124,186	444,450	57,750	589,880	2,593,055	Adm.	72,028	257,781	33,495	537,722	2,329,973
100,000						100,000	100,000	Evaluation			100,000	100,000	
755,873		419,750	688,667		442,750	3,371,155	18,728,830	Sub-total	399,427	0	256,795	3,081,915	5,202,860
37,794		20,988	34,433		22,138	168,558	283,903	Cont. 5%	19,971		12,840	154,096	260,143
793,667	3,243,575	440,738	723,100	3,407,450	464,888	3,539,712	19,012,732	Total	419,398	1,976,321	269,635	3,236,010	17,082,649
2,816,612			3,539,712	13,050,775	2,422,245			Total ST/RD	3,236,010				

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7.3. Estimated USAID Mission Budget for One Year7.3.1 USAID Mission Program Budget (one Mission)

a. Technical (estimated detailed budget seen as 7.3.2 below)	. . . . .	.\$396,000
b. Research (all costs except administration)	. . . . .	70,000
c. LDC Institution Strengthening	. . . . .	12,500
d. Administration (personnel costs of home office back-up for technical assistance, re-search, and institutional strengthening)	. . . . .	<u>64,235</u>
Total	. . . . .	.\$493,925

7.3.2 Estimated Detailed Technical Assistance Budget

This budget assumes an on-going activity with four visits by specialists in the course of a year. It is an illustrative budget only, as various configurations are possible, some with less frequent visits, or others with an advisor assigned to the country for a period of time. It is also likely that visits may be of shorter duration and involve a lesser number of advisors. This estimated budget is used as representative of the variety and differing intensity of interventions, and is the basis of spreadsheet estimates.

(a) Personnel

Four team visits by 3 U.S.-based specialists at 5 weeks per TDY at \$295 daily rate and a five-day work week \$88,500

Resident or regional specialist for 30 weeks at \$255 daily rate and five-day work week 38,250

(b) Overhead:

Three-quarters of personnel costs are used rather than 100% to reflect lower fringe cost incurred with part-time contractors \$95,100
Per diem

(c) Per diem

Average \$100 per day for 72 person weeks of seven days 50,400

(d) Air fare

Twelve round trips, (4 by 3 people) at \$4000 48,000

(e) International communication, transport of materials, local transportation, visas, etc.

All persons 27,000

TA TOTAL WITHOUT ADMINISTRATION (shown as "a" at 7.3.1) 347,250

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Administration (or home office backup, for TA budget, amalgating costs of personnel in various categories (or 15% of a-d above). Shown as a component of "d" in 7.3.1. on page 7-7.. . . 52,000

-In Level

The example above shows a possible buy-in level for one USAID Mission. Buy-ins for eight on-going technical cooperation activities at the costs projected would make for a buy-in ratio somewhat higher than that experienced by the predecessor PM Project. USAID Mission financing for the PM Project averaged two dollars for each dollar of S&T/RD funds. However, in those PM Project activities where long-term collaboration and funding were planned in advance, USAID Mission buy-ins ranged from \$250,000 to \$600,000 per year. Examples were the buy-ins from Guinea, Thailand, and Paraguay. The overall Mission buy-ins were reduced by the large number of activities which were financed from PD&S and Training funds. Although some of these activities continued in an iterative fashion for several years and had a useful and sustained impact, long-term LDC program-related work was difficult when funding could not be anticipated long in advance. The IPC Project design anticipates that USAID Missions will have program funds and interest in long-term collaboration and funding.

The scale of buy-ins will vary substantially from mission to mission. In several countries, they are expected to exceed \$500,000 each year for as long as four years, for a total of over two million dollars for a single Mission. It is expected that Missions will, through initial negotiation, buy in for several million dollar, multi-year scopes of work, which will be incrementally funded on an annual basis.

7.5 Regional Bureau Budget: Africa

Projected Africa Bureau central funding is as follows:

<u>Activity</u>	1990 (yr.1)	1991 (yr.2)	1992 (yr.3)	1993 (yr.4)	1994 (yr.5)
SSA Services	32,000				
Diagnostic visits	0	(5x42k) 210,000	6x44k) 265,000	0	0
Workshp/Conf. (incl. publ.)	0	(1) 165,000	0	(2 @100k) 200,000	(1) 250,000
Dissemination seminars	0	0	(2@55k) 110,000	(2@59k) 118,000	0 0
Total	32,000	375,000	375,000	318,000	250,000
<u>Grand Total: \$1,350,000</u>					

7.5.1 Support to initial Technical Assistance in African CountriesExample of Diagnostic TDY

This example includes a three-day orientation before departure and a two-day debriefing session upon return

Personnel: 2 persons at 20 days at \$287 . . .	\$ 11,480
Air fare at \$5,000 x 2 people	10,000
Per diem for 25 days at \$105 per day, including transit time	5,250
Insurance, miscellaneous costs and home- office backup	3,790
Overhead/fees/fringe	<u>11,480</u>
TOTAL	\$ 42,000

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7.5.2 Example of Dissemination Seminar

To disseminate strategic management policy implementation approach and lessons learned from project to countries where project was not active

Two African leaders for 3 weeks at \$225 per day	\$ 6,750
One U.S. specialist for 3 weeks at \$287 per day	4,305
Per diem at 20 days for 3 at \$105	6,300
Airfare Within Africa only	2,000
Airfare from US and return	5,000
Overhead at 100% U.S. specialist salary	4,305
Materials, room, incidentals	10,000
Home office backup	<u>4,340</u>
TOTAL for one seminar	\$ 43,000

Total for three seminars, FY 1994, with a 5% inflation rate, rounded \$157,000

Total for four seminars, FY 1995, with a 5% inflation rate, rounded \$220,000

7.5.3 Example of Regional Workshop

Two small, sub-regional workshops, one in Anglophone and the other in Francophone Africa during years one and two

Airfare for 20 African participants @ \$750 each	\$ 15,000
Per diem for 7 days at \$105 x 20	14,700
Workshop facilities	1,300
Costs of local logistics organizer	2,000
Local transportation	2,000
Personnel costs, preparation, and leadership	
One U.S. specialist for 2 months at \$287 per day	\$ 13,000
African specialist for 2 months at \$250 per day	11,000
Home office backup	5,000
International travel	8,000
Overhead on U.S. specialist	<u>13,000</u>
TOTAL one workshop, one language	\$ 85,000

TOTAL for two workshops per year \$170,000

Workshops in later years may be consolidated into one conference, with translation, greater transport costs, more prominent resource people, and more elaborate facilities. Costs would double.

7.6 Other Bureaus

Options similar to those available for the Bureau for Africa may be chosen by other Regional Bureaus, with principal cost variation being that for transportation.

Doc. 7791p

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes; Yes

A. GENERAL CRITERIA FOR PROJECT

- 1. FY 1989 Appropriations Act Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? Yes
- 2. FAA Sec. 611(a)(1). Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? Yes
- 3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? NA

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4. FAA Sec. 611(b); FY 1989 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) NA
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? NA
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. The project is multi-regional and designed to expand A.I.D. knowledge and capability worldwide. International organizations, such as World Bank are welcome to buy in to project.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to:
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations;
(d) discourage monopolistic practices;
(e) improve technical efficiency of industry, agriculture and commerce; and
(f) strengthen free labor unions. a) Yes
b) Yes
c) Yes
d) Yes
e) Yes
f) NA
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Yes, as policy change supports these goals

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9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The project has strong emphasis on involving host country institutions in all activity aspects. In-kind contributions will be substantial.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? NA
11. FY 1989 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? NA
12. FY 1989 Appropriations Act Sec. 549. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other a) Yes
b) No

- wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?
- c) Yes, whenever possible
d) No
14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? NA
15. FY 1989 Appropriations Act. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? NA
16. FY 1989 Appropriations Act Sec. 538. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? NA
17. FY 1989 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained? NA
18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). NA

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1989 Appropriations Act Sec. 548
(as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

a) NA

b) NA

b. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life and otherwise encourage democratic private and local governmental

a) Project will provide technical assistance and research in support of broad-based income growth policy implementation.

b) Only to the extent that appropriate policies are being implemented.

institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

c) and d) Yes, through technical assistance on policy reform.

e) Yes, if appropriate to policy being implemented.

- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1989 Appropriations Act (Development Fund for Africa). Does the project fit the criteria for the source of funds (functional account) being used? Yes
- d. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? NA
- e. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? NA
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes

- g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government. Host country participation and intellectual contribution are basic elements of all project activities.
- h. FY 1989 Appropriations Act Sec. 536. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? No
- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No
- i. FY 1989 Appropriations Act. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization? No
- If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services? NA

- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes
- k. FY 1989 Appropriations Act. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? The project will encourage contractor to use consortia or sub-contracting mechanisms where appropriate, including institutions such as those mentioned here.
- l. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase
- Yes
- Yes
- a) Yes, when such policies are being implemented.
- b) Yes
- c) NA
- d) Yes, when such policies are being implemented.
- e) Yes, when such policies are being implemented.

production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

f) Yes, when such policies are being implemented.

g) Yes, as in (f)

h) Yes, as in (f)

i) Yes, as in (f)

j) No

k) Yes

m. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species). Will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity?

NA

- n. FAA Sec. 118(c)(14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? No
- o. FAA Sec. 118(c)(15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development? a) No
b) No
c) No
d) No
- p. FY 1989 Appropriations Act. If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in accordance with the policies contained in section 102 of the FAA: a) Yes
b) Yes

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(c) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

c) No - through local management resource institutions and/or universities.

d) Yes

e) Yes

9. FY 1989 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified?

NA

2. Development Assistance Project Criteria (Loans Only)

- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?
- c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

NA

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?
- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes?
- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

NA

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR

FROM: AAA/AFR/DP, John R. Westley

SUBJ: Africa Bureau Participation in S & T's Proposed
Implementing Policy Change (IPC) Project

Problem: Your approval is required to authorize Bureau participation in the IPC project and to transfer to S & T, subject to availability, DFA funds totaling up to \$ 1.6 million over five years. First year (FY 1990) funding totals \$ 32,000. Total LOP funding from all sources is \$19.1 million.

Background: AFR/DP and S&T/RD have worked closely together over the past year on several issues relating to policy reform implementation. S&T arranged to extend by one year the Performance Management project in order to facilitate Africa Bureau support for a pilot activity in Guinea, Mali, and Uganda. This activity is ongoing. It provides process-oriented technical assistance (through Management Systems International) to help governments improve their management of selected policy reform programs. Because of the close relationship between this pilot project and S&T's objectives for their new IPC project, AFR/DP staff have helped S&T shape and refine the project concept so that it can address our concerns more effectively. Through both of these activities, we hope to develop a better understanding of the constraints that prevent prompt and efficient implementation of policy reform decisions and to improve our ability to address objective 1 of the DFA Action Plan relating to better economic management.

Project Summary: The IPC project is a 6-year, \$ 19.1 million activity, jointly funded by S&T, USAID Missions, and the Africa Bureau. The purpose of the IPC project is to improve the capacity of LDC organizations to: (1) design collaborative, broad-based strategies and plans for policy changes and (2) effectively manage the process of implementing them. The project will focus on the implementation of policies designed to promote broad-based income growth. It will employ strategic management techniques based on a learning process which LDC policy leaders and managers can use to: assess a policy situation, its options and constraints; develop strategic implementation plans; shape and initiate operations; and promote coalitions needed for carrying these plans to a successful conclusion. These techniques will promote growth, leadership, and

"ownership" of policy decisions by host country participants.

Project components include:

technical assistance, both short term --for diagnostic purposes, and long term --for problem resolution (on an iterative or resident basis, depending on host country needs and preferences); teams will include host country experts and draw on local resource institutions as appropriate. The project expects long term assistance, financed through Mission buy-ins, to be concentrated in eight countries of which four would be in Africa.

regional network development: annual workshops and/or conferences will be organized in which experiences and case studies of implementation efforts are discussed among policy managers and representatives of resource institutions from the same area. Network formation will be encouraged.

research: case studies, comparative analyses, and methodological analyses are the principal research areas. The majority of research activities will be funded by either USAID Missions or S&T.

Project Implementation and Management: A competitively chosen contractor will be the principal instrument for IPC project implementation. Africa Bureau staff will participate actively in the RFP and selection process, and will also participate on the project management committee. A direct hire S&T/RD technical officer will manage the project, assisted by a RSSA project administrator. By agreement with S&T/RD, this person will devote 1/3 of his/her time to AFR activities.

Financial requirements: Proposed funding for the project is \$19.1 million over a six year period (FY 1990-95). Mission buy-ins worldwide are expected to cover about 70 percent of this amount. S&T core funding is budgeted at \$ 3.6 million. The Africa Bureau proposes to contribute up to \$ 1.6 million, subject to availability of funds. An illustrative budget is attached.

AFR Participation in Project Design and Review: Missions worldwide were canvassed in August 1989 prior to PID design. Almost half of the 25 responses came from African Missions. By and large these responses recognize the timeliness of the activity and the importance of the issues it addresses. AFR Geographic offices had the opportunity to comment on design of

AFR/DP's closely related pilot project activity in May 1989.

Early on in IPC project design, at AFR/DP urging, a decision was made not to focus the project sectorally (essentially on agricultural policies) but to admit consideration of a broad range of policy issues as long as they were focused on economic growth. As a result, AFR/TR/ANR deferred to AFR/DP the principal responsibility for monitoring the design process. Particularly since completion of the draft project paper, DP staff have made a point of consulting informally with TR and PD for guidance and formulation of issues for S&T informal committee meetings and Rural Sector Council reviews.

S&T project staff have made satisfactory revisions to the project paper.

AFR Concerns and Requirements:

1. The Bureau gives priority to addressing pressing current problems of policy reform implementation in participating countries. We view the IPC project as exploratory in this regard. We do not intend to provide direct assistance to regional institutions. Missions may support local institutions as appropriate to achieve project objectives.
2. The project contractor must be able to draw on specialists with a demonstrated ability to apply a mix of disciplines and approaches to solving the problems posed by difficult policy implementation challenges in the LDC countries. AFR expects to be closely involved in the RFP and selection process, and to participate in project management.
3. The Bureau believes that the most useful research activities will be case studies and syntheses of experience. We do not believe there is a need to refine the "framework and learning process". This methodology is essentially a common sense, flexible, and adaptable approach, and should remain so.
4. The Bureau's central funds will support eleven initial diagnostic consultations to interested Missions, four regional conferences (including publications), and four small "dissemination seminars" (for countries not directly involved in long term technical assistance under this project) over the project period.

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Recommendations:

1. That you authorize AFR participation in the Implementing Policy Change project including LOP funding of up to \$ 1.6 million in DFA funds, subject to availability, over five years.

Approved William J. Bully

Disapproved _____

Date 3.16.90

2. That you authorize obligation of \$ 32,000 in DFA funds for FY 1990.

Approved William J. Bully

Disapproved _____

Date 3.16.90

Clearances:

AFR/TR, R. Cobb _____ (draft) _____	Date <u>3/1/90</u>
AFR/PD, T. Bork _____ (draft) _____	Date <u>3/1/90</u>
AFR/CCWA, M. Golden _____ (draft) _____	Date <u>2/23/90</u>
AFR/EA, D. Lundberg _____ (draft) _____	Date <u>2/28/90</u>
AFR/SA, F. Fischer _____ (draft) _____	Date <u>2/23/90</u>
AFR/SWA, P. Dichter _____ (draft) _____	Date <u>2/26/90</u>
AFR/MDI, W. Weinstein _____ (draft) _____	Date <u>2/28/90</u>
DAA/AFR, E.L. Saiers _____ <u>js</u> _____	Date <u>3/7/90</u>

Attachments:

IPC Project Executive Summary
IPC Project Budget Spreadsheet, 2/10/90
AFR Bureau Funding for IPC Project (Westley/Kornher memo,
2/1/90)
Draft Africa Bureau Comments on IPC Project Paper, 1/11/90
AFR/EA and AFR/PD Comments on draft Action Memo

AFR/DP/PAR:CCCowey:2/13/90:rev:3/6/90:647-2995:4031g

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MAR 27 1990

ACTION MEMORANDUM FOR THE AGENCY DIRECTOR FOR HUMAN RESOURCES

FROM: S&T/RD Eric Chetwynd (Acting) 
SUBJECT: Authorization of the Implementing Policy Change Project
936-5451

PROBLEM: Your authorization is requested to initiate a new centrally-funded project entitled "Implementing Policy Change" (IPC) in the amount of \$3,600,000 from the Agriculture, Rural Development and Nutrition (ARDN) and the Education (ED) accounts. In addition, it is expected that the Africa Bureau will make up to \$1,600,000 OYB transfers to the project from Development Fund for Africa (DFA) funds. In addition to these amounts, an estimated \$13,900,000 may be contributed to the project by missions, regional bureaus and other offices of A.I.D. from funding accounts which they are authorized to use.

Discussion: The project's purpose is to support LDC organizations in designing collaborative, broad-based management strategies for policy change and in effectively managing the process of implementation.

The initial obligation year is FY 90, and it is planned that a total of \$276,000 of S&T funds will be obligated the first year. The final year of obligation for Phase One of this project is FY 95, and the PACD is 12/31/96. If the project's evaluation in FY 94 so recommends, a four year second phase of this project will be proposed for authorization and funding.

The origins of the Implementing Policy Change project lie in the evaluation of its predecessor, the Performance Management Project (PMP). Major points of that evaluation were that: a) PMP had "laudable achievements," had clarified diverse elements of management theory, had mobilized human resources and improved capabilities (and had) improved the performance of host country development programs;" b) "Nearly every A.I.D. activity has a development management dimension and management improvement implications. As such, nearly every A.I.D. activity is also a potential market for the knowledge and experience that PMP is accumulating. Given the complexity of development management

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problems, the importance of management to program sustainability, and the scarceness of management improvement expertise, there is a continuing high level of demand, and a lack of alternative sources, for much of the technical support PMP provides;" c) "Many questions about development management remain unanswered and PMP represents A.I.D.'s only effort to tackle these questions systematically;" d) The broad scope of PMP (which addressed management for many program management objectives), does not allow sufficient focus for this systematic learning and, d) the follow-on project should focus on topics of high priority for A.I.D., e.g., policy implementation.

Accordingly, with assistance from regional and other central bureau staff, S&T/RD designed the Implementing Policy Change project to a) incorporate outstanding aspects of the PMP, and b) focus them, and new lessons and perspectives, on the increasingly recognized organization and management constraints and opportunities in implementing difficult policies. To allow more substantive concentration and to lessen the administrative load, the new project is more focused as to field activities, as well.

The project is organized around long term technical cooperation with organizations in a few countries, usually on "sets" of policy implementation problems, research to support and to learn from these in-depth experiences, and networks and exchange with implementors in other countries to broaden the base of experience and the influence of the project's methods. The project employs a framework and learning process, drawn largely from PMP, to assist implementors identify implementation needs, constraints and opportunities, and to mobilize skills, resources and alliances to carry out policy change. Many of the research products will use this framework to structure analyses of policy implementation experience observed and enhanced by IPC. Because of the effectiveness and the promise it gives for sustained implementation changes, the project will emphasize local leadership by implementors. LDC national and regional specialists and management resource institutions will have major technical assistance and research roles. It will encompass USAID-funded studies to support technical cooperation activities. The final dissemination products will be valuable to donors, implementing organizations and management resource institutions in the LDCs and the U.S.

At various stages in its design, the project has incorporated insights from Project Committee Members, most of whom are from other A.I.D. bureaus, from geographic bureau officers who are not on the project committee, from the reviews of the Rural Development Sector Council and the S&T Program Office, and from responses to an AWIDE cable sent to USAID missions describing the project. This process, in a context of broad consensus, has been one of refining, clarifying, and focusing project components, and

relating the project design to diverse perspectives of the policy implementation situation peculiar to different experiences and locations.

Similarly, the implementation of this project will also involve collaboration with other A.I.D. offices and missions for management and funding.

An Advice of Program Change will be forwarded to Congress following authorization of the Implementing Policy Change Project.

Recommendation: That you sign the attached PAF.

Attachments:

- 1. Project Authorization for Funding
- 1. Project Data Sheet

<u>Clearances:</u>	S&T/RD/IDM: KKornher	<u>KK</u>	Date	<u>2/28/90</u>
	S&T/RD: LHollis	<u>L Hollis</u>	Date	<u>2/28/90</u>
	DAA/AF: Larry Saiers	<u>L Saiers</u>	Date	<u>3/11/90</u>
	S&T/PO: DSheldon	<u>D Sheldon</u>	Date	<u>3/27/90</u>
	S&T/PO: GStandrod	<u>G Standrod</u>	Date	<u>3/26/90</u>
	GC/CP: RMatalon	<u>DRAF</u>	Date	<u>2/26/90</u>
	S&T/HR: RMcClusky	<u>RM</u>	Date	<u>3/28/90</u>

Project Committee Members:

AFR/DP/PAR, CCowey	<u>CCowey</u>	Date	<u>3/7/90</u>
AFR/DP/PPE, JAtherton	<u>CC for J</u>	Date	<u>"</u>
AFR/DP, SBrendt	<u>SB</u>	Date	<u>3/9/90</u>
AFR/TR/ARD, DASmith	<u>(phone)</u>	Date	<u>3/8/90</u>
ANE/TR/ARD, SPEabody	<u>(phone) gm</u>	Date	<u>3/2/90</u>
ANE/DP, CHermann	<u>(phone) gm</u>	Date	<u>2/28/90</u>
LAC/DP, JFox	<u>(phone) gm</u>	Date	<u>2/28/90</u>
S&T/RD, LHollis	<u>L Hollis</u>	Date	<u>3/21/90</u>
PPC/CDIE, GBritan	<u>(phone) JFN</u>	Date	<u>2/28/90</u>
S&T/PO, CNoren	<u>gm</u>	Date	<u>3-26-90</u>
S&T/AGR, BGoodwin	<u>(DRAFT) gm</u>	Date	<u>3/29/90</u>

S&T/RD/IDM: JFNorth ^{gm} 2/28/90:W8010p:X54587

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PROJECT AUTHORIZATION

Name of Country/Entity: Worldwide
Name of Project: Implementing Policy Change
Number of Project: 936-5451

1. Pursuant to Section 105 (Education and Human Resources) Section 103 (Agriculture, Rural Development and Nutrition) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Implementing Policy Change project (IPC), involving centrally-funded planned obligations of not to exceed \$3,600,000 of grant funds from the 105 and 103 accounts, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process. In addition, the project may receive up to \$1,600,000 from the Development Fund for Africa (DFA) in OYB transfers from the Bureau for Africa.

The initial obligation for the project is \$276,000 in FY 1990, the final obligation year is FY 1995, and PACD is 2/3/1996.

In addition to the amounts authorized above, an estimated \$13,900,000 may be contributed to the project by Missions, Regional Bureaus and other offices of A.I.D. from funding accounts they are authorized to use.

The project purpose is to support LDC organizations in designing broad-based management strategies for policy change, and in managing the process of implementation. The project will carry out strategic management technical cooperation activities with LDC managers to enable their organizations to better meet the challenges which are often posed by new policies. It will address the implementing organization's responsibility and opportunity for adopting different roles, improving performance in key areas, and facilitating action by other organizations in order to implement desired new policies. It will analyze the lessons learned from these activities and from the organization, management and contextual issues which affect implementation, to the benefit of on-going implementation efforts and for exchange and dissemination with other implementors, specialists and donors. Comparative analysis of the project's experience and parallel data and its examination of pivotal implementation issues will assist a broad community in the developing and developed world to more effectively address necessary policy changes.

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4. The agreements which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Commodities, Nationality of Services Commodities financed by A.I.D. under the project shall have their source and origin in the "cooperating country" or the United States, except as A.I.D. may otherwise agree in writing. (Each country in which research, training, or technical or other assistance takes place under the project shall be considered a "cooperating country") Except for ocean shipping, the suppliers of commodities or services shall have the cooperating country or the United States as their place of nationality, except as A.I.D may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Based on the justification described on page 34, Section 4.2 of the Project Paper, I hereby determine that the proposed RSSA with the Development Program Management Center OICD, USDA qualifies under Section 621 (a) of the FAA because (1) it is for technical assistance, (2) the staff of the Development Program Management Center are particularly qualified to carry out the scope of work, (3) this action is not competitive with the private sector and (4) it will not interfere with the normal work of OICD, USDA nor will it interfere with the domestic operations of OICD, USDA.

Signature: Antonio Gayoso
Antonio Gayoso
Agency Director, Human Resources
Science and Technology Bureau

Date: 28 March 1990

Clearances: S&T/RD: EChetwynd EC Date: 3/21/90
S&T/PO DSheldon DS Date: 3/27/90
GC/CP STisa/ draft Date: 2/26/90
RMatalon

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Drafted: S&T/RD/IDM: JNorth: 2/28/90: W8010p: X54587

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