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INTEGRATED RURAL DEVELOPMENT: MAKING IT WORK?

EXECUTIVE SUMMARY

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ORGANIZATION AND ADMINISTRATION OF INTEGRATED RURAL DEVELOPMENT

**A PRELIMINARY REPORT OF THE STATE OF THE ART
PREPARED FOR THE DEVELOPMENT SUPPORT BUREAU
OFFICE OF RURAL DEVELOPMENT AND DEVELOPMENT ADMINISTRATION
AGENCY FOR INTERNATIONAL DEVELOPMENT**

INTEGRATED RURAL DEVELOPMENT: MAKING IT WORK?

EXECUTIVE SUMMARY

A PRELIMINARY REVIEW OF THE STATE OF THE ART
PREPARED UNDER AID CONTRACT NO. DSAN-C-0065

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ORGANIZATION AND ADMINISTRATION
OF
INTEGRATED RURAL DEVELOPMENT

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FOREWORD

The Organization and Administration of Integrated Rural Development Project (IRD) is funded by AID's Office of Rural Development and Development Administration. The objective of the IRD project is to provide assistance to managers of IRD projects in improving the management and coordination of complex rural development undertakings whose success depends as much on effective mobilization of resources as it does on technical expertise and appropriate technology. Basically the project was designed to provide two types of assistance: (1) direct support in the nature of short-term technical assistance to field activities and (2) documentation and dissemination of the state of the art in IRD project management.

This state of the art paper, accompanied by an executive summary, is one of the methods utilized in this project to address the second objective. It attempts to document what can be found in the literature with regard to the contribution of management to the successful implementation of IRD projects. It also attempts to convey to rural development practitioners the emerging experience of DAI in providing technical assistance in this relatively undefined area. During the first two years of the project, the DAI experience has included management analysis and problem-solving missions in Honduras, Thailand, Botswana, Jamaica, the Philippines, Indonesia, Nepal, Liberia, Cameroon, and Tanzania.

An earlier draft of this document was submitted for review to over 60 practitioners and observers of rural development implementation. The reviewers came from both within and outside of the Agency for International Development, from universities as well as field project managers, from host country institutions as well as international donor organizations. Obviously the authors could not take into account all of the comments made by the reviewers, but they have made a significant effort to compromise between desires by some for specificity and desires by others for generality and comparability.

The subtitle of the paper indicates that it is a preliminary analysis. In the final year of the IRD contract, DAI will incorporate the findings presented in this version of the paper with a broadened understanding of the underlying processes of IRD management into a desk-top manual. The present volume, therefore, has no pretensions of being a definitive statement, but represents an evolutionary development in our understanding of both the contribution of good management and the relationship of good management to successful implementation. For this reason, too, the reader will find little in this volume that ad-

dresses the technical concerns which are so frequently the major focus of rural development analysis. DS/RAD has consistently urged the authors to avoid dwelling on technical or sectoral issues in favor of sharpening their analysis of the generic management and coordination issues.

Finally a word about the main title: "Integrated Rural Development: Making It Work?" Initially, I had hoped that the authors would take a more assertive stance with regard to the contribution of their paper and the role of management in general. I agree with the authors, however, that as practitioners we all must maintain a healthy degree of scepticism over the extent to which, even with good management, we can control a large degree of the variance in the outcomes of integrated rural development projects. Complex by their very nature, IRD projects are subject to a wide range of constraints which defy the capabilities of even the most competent and most committed managers. On the other hand, the paper is founded in the optimism that greater attention to what we know about the contribution of good management to organizational effectiveness will serve the interests of the practitioners responsible for implementing these projects. References to the earlier draft of this paper in mission IRD designs from Ecuador and Niger support this belief.

Both DS/RAD and the authors hope that the paper will provoke reactions, negative as well as positive, from practitioners and observers of rural development initiatives and that these reactions, if passed along to us, can contribute to the formulation of the desk-top manual. We look forward to your comments, both on what can improve the paper's presentation and what you find to be helpful in it.

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Agency for International Development

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PREFACE

It is not easy to effectively manage an Integrated Rural Development (IRD) Project. The project manager's role and situation are typically characterized by complex designs, little control over the many actors involved in implementation, high expectations among beneficiaries, uncertain technologies, highly variable socio-political climates, and to cap it all off the IRD project is usually in the spotlight -- a constant flow of national and international visitors focus on every project dimension. This is certainly a formula for difficulty.

This report provides guidance for IRD project managers in this situation. That guidance is aimed at organizational and managerial tactics which can be used to improve the implementation process and raise the chances for positive impact.

Many problems encountered during implementation, however, result from decisions made during design. In fact "management" problems are often misdiagnosed -- they are actually the result of poorly designed organizations. Thus an examination of the implementation process generates information useful for improving program designs.

Other problems result from the complexity of an IRD strategy. For example, the interrelationships between poor health, inappropriate education, low food production, inadequate marketing, weak organizations and undeveloped physical infrastructure present a web of constraints. Since this interaction of elements appears to reinforce poverty, effective remedies for the total system must be concerned with the total system. Such remedies are merely a "balanced growth" strategy on a small scale. The combination of complexity and a need for balance among component activities, however, makes IRD efforts extremely sensitive to organizational weaknesses and management failings.

In September 1978, Development Alternatives, Inc. (DAI), and Research Triangle Institute (RTI) signed a four-year contract with the Office of Rural and Administrative Development, Development Support Bureau, United States Agency for International Development to assist donor agencies and host governments with the organization and administration of integrated rural development. This state-of-the-art report is one aspect of that assistance. Other aspects include a series of working papers which focus on specific problem sets and field visits which provide direct technical assistance for design and implementation.

To make the report accessible to busy field personnel, an executive summary is provided. To keep the summary faithful to

the full report and to offer more guidance than is possible in a simple "sketch," the major figures and the organizing framework of the complete work are reproduced in the summary. Additionally, major guidelines and critical propositions about how organization and management affect IRD processes and impact are included. The propositions are numbered to set them off from the surrounding text and bulleted items.

Organizational structures and management practices are obviously not the only factors affecting IRD implementation. However, most responses to any problem causes do have organization or management implications. Thus this report should provide some much needed assistance to rural development specialists who feel a need for guidance on the organization and administration of integrated rural development.

SECTION I

INTRODUCTION

This report presents organization and management tactics for coping with critical problems encountered during the implementation of Integrated Rural Development (IRD). The emphasis is on "making it work."

Specific troubles with IRD implementation vary from place to place and time to time. Nevertheless, the following general problems are common obstacles:

- Built-in resistance to integration and coordination of IRD activities by participating agencies;
- Inability of project managers to effectively supervise and lead technical teams;
- Inadequate information to support project management decisions;
- Lack of incentives for project staff or cooperating organization personnel to act in ways that support IRD objectives;
- Delays due to procurement bottlenecks;
- Diversion of project resources to other uses;
- Inappropriate use of technical assistance;
- Non-response to project initiatives by beneficiaries; and
- Activities which cannot be sustained after project resources are exhausted.

These problems are discussed in this report and alternatives for either overcoming or coping with them are reviewed and assessed. The basis for this review is published literature, field documents, personal experience and site visits to ten countries in Africa, Asia and Latin America.

IMPLEMENTATION OBJECTIVES

During implementation, IRD efforts resemble a sequence of intended changes, each of which is a management or policy objective. When resources are channeled into a project area, they are converted into goods and services which can be used by the local population. The use of these new goods and services is expected to contribute to improved welfare. Figure 1 represents the sequence of these objectives.

FIGURE 1

SEQUENCE OF OBJECTIVES



The focus is on those organizational arrangements and managerial practices that can help to alleviate the difficulties that arise during the sequence of turning resources into enhanced welfare.

Such a focus is appropriate for three reasons: first, without a well-defined boundary, any discussion of IRD will rapidly get out of hand; second, given the complexity of IRD and the difficulty of guiding such complex processes, organizational arrangements and management practices can be expected to have an important effect; and third, no study to date has dealt specifically with these dimensions.

INTEGRATION AND COORDINATION

These two terms -- "integration" and "coordination" -- are used with uninhibited exuberance in many IRD projects, sometimes to hide a lack of understanding of the practical issues involved. The principal difference between an integrated as opposed to a functional organization is indicated by the level where authority over the full range of organizational activities converges. In a functional organization it occurs near the top. In an integrated organization, on the other hand, convergence occurs closer to the bottom of the organizational hierarchy. For example, in an integrated area development project, engineers, agriculturalists and medical personnel may all be accountable to a single project manager in a subdistrict area. Thus integration denotes structure and implies comprehensiveness (a multi-sectoral focus) and control (direct lines of authority).

Coordination, on the other hand, describes the type of managerial behavior required to produce the results visualized in the project design. The word itself provides a clue to the behavior it describes: "co" suggests joint or shared activities and "-ordination" implies the ranking of these activities. This ranking refers to the timing, type, quality and magnitude of resources applied and goods or services produced. It also includes the distribution of implementation responsibility. The joint effort refers to sharing resources and information to guarantee the needed mix of goods and services.

To apply multi-sectoral resources to rural development objectives, then, either integration or coordination strategies can be used. This report examines organization and management alternatives for delivering services, supporting response and promoting self-sustaining development.

SUMMARY

The focus of this report is on making IRD work. The observations, conclusions, and recommendations are based on published and unpublished documents, unwritten experiences and visits to ten countries in Africa, Asia and Latin America.

To organize the lessons contained in these sources IRD implementation is depicted as a sequence of four management objectives -- applying resources, delivering goods and services, supporting local use of these goods and services, and improving the welfare of project beneficiaries. To progress from one objective to the next involves differing considerations. The considerations relevant to each of the three stages between objectives are presented in the next three sections. To clarify discussion, a distinction is made between integration and coordination. This helps to identify some positive and negative dimensions of alternative organization and management strategies for IRD.

SECTION II

DELIVERING GOODS AND SERVICES

Organization and management factors affect the integrated delivery of goods and services to rural populations. This section presents organization and management responses to problems associated with information, human resources, material resources and technical assistance.

ORGANIZATIONAL STRUCTURE

Three issues must be resolved during organization design. First, it is necessary to choose the organizational level where integration will occur. Second, an appropriate host for the effort must be chosen. Third, the configuration of internal organizational divisions must be established.

Each choice involves tradeoffs. The choice of level should be based on project priorities and the advantages and disadvantages of centralization versus decentralization in the local context. The selection of the host organization should be based on a combination of the local situation and project objectives. The internal organization should be based on technical/support needs and the intended target group.

When two separate clientele groups are served by the same unit, the levels of conflict and confusion are raised and management is more difficult. A successful way to improve this situation is to assign responsibility for each target group to

different units. For example, one agricultural extension team could concentrate on services to rubber estates, whereas a second team could serve smallholder rubber schemes. This allows each group to concentrate on the particular needs of its clientele, and lowers conflicting demands on the strategy, time and limited resources of each unit.

1. If organizational units are based on clients with common economic interests, rather than geographic or ethnic interests, they will be more effective at delivering services.
2. If organizational units are matched to clientele groups or environmental support organizations, on the one hand, and to technical functions, on the other, then problems arising from improper organization will be minimized.
3. If there is one deputy project manager responsible for internal management, then the project manager can concentrate more effectively on external relationships.

Potential tradeoffs between integration at high or low organizational levels are noted in Figure 2. It must be remembered, however, that although integrated rural development implies a more decentralized strategy, the choice of level is not independent of the choice of host organization. Figure 3 summarizes the tradeoffs between various alternatives and suggests conditions which support each.

LIAISON STRATEGIES

Due to the complexity of IRD designs and the need for coordinated operations, liaison roles are often established. Sometimes a committee is given this function, such as a project-specific County Coordinating Committee in Liberia, or a Composite Management Group or Area Development Committee in the Philip-

FIGURE 2

STRENGTHS AND WEAKNESSES OF CENTRALIZATION AND DECENTRALIZATION

	CENTRALIZATION	DECENTRALIZATION
STRENGTHS	<ul style="list-style-type: none"> ● Increases speed of decision with routine decisions and certain technologies; ● Allows appropriate incentive system to affect focal organization and linked organizations; ● Raises probability that a controversial policy will be implemented; ● If an organization is both autocratic and centralized, change <u>can</u> be readily introduced; ● Top-level administrators have longer tenure, and decisions made by them about linkages with other organizations tend to produce more valuable interactions; ● Improves high-level morale and initiative. 	<ul style="list-style-type: none"> ● Increases speed of decision with non-routine decisions and uncertain technologies; ● Participative, decentralized and autonomous organizations are more productive, efficient and satisfying; ● Decentralized decisionmaking and multiple communication channels facilitate interorganizational cooperation; ● Although the direct power in the hands of national leaders is reduced, decentralization increases their ability to guide society by creating more communication links within it; ● Improves low-level morale and initiative; ● Nourishes new leadership; ● Facilitates client participation.
WEAKNESSES	<ul style="list-style-type: none"> ● Overloads communication systems and requires more infrastructure/resources than decentralization to produce decisions in a given time; ● Changes <u>cannot</u> be readily introduced into a bureaucratic centralized organization; ● Does not nourish new leadership; ● Sensitive to situations where national-level elite is not sympathetic to client group. 	<ul style="list-style-type: none"> ● Requires highly developed informal communications channels; ● Without financial discretion at lower levels decentralized strategies will not work; ● A wide range of goals facilitates decentralization; ● Very difficult when inefficient disbursement systems exist; ● Often requires a program element designed specifically to improve lower-level planning capability among those charged with implementation; ● Sensitive to situations where local-level elite is not sympathetic to client group.

FIGURE 3
ORGANIZATIONAL PLACEMENT ALTERNATIVES AND TRADEOFFS

ALTERNATIVE		TRADEOFFS		
No.	Implementor	Major Advantages	Major Disadvantages	Supporting Conditions
1	<u>National Line Agency</u> (permanent) such as Ministry of Agriculture	<ul style="list-style-type: none"> ● Provides a base in a permanent institution; ● Provides high-level decision involvement; ● Sometimes appropriate for non-area focused projects; ● Often simplifies initial preparation process and resource flows. 	<ul style="list-style-type: none"> ● Limits sectoral focus of project strategy; ● Often there is a preoccupation with national problems rather than local variations; ● An unwillingness to delegate significant operational authority is common; ● Often accompanied by jealousy of other line agencies. 	<ul style="list-style-type: none"> ● High capability in appropriate agency; ● High priority on institutionalization; ● Agency has high target group orientation; ● National leadership commitment critical for success.
2	<u>Subnational Government Entity</u> (permanent) such as a region, province of district	<ul style="list-style-type: none"> ● Provides local focus; ● Sometimes helps to concentrate authority over project activities; ● Can build planning and implementation capability in permanent entity. 	<ul style="list-style-type: none"> ● Often has low institutional and human resource capability; ● Subnational units often have little leverage over line ministries whose activities affect the project. 	<ul style="list-style-type: none"> ● High commitment to decentralization; ● Uniqueness of target area; ● High capability in appropriate agency; ● Agency has high target group orientation.
3	<u>Integrated Development Agency</u> (permanent) such as a national authority	<ul style="list-style-type: none"> ● Helps comprehensiveness of project overview; ● Provides local focus with access to higher level authority; ● Can avoid overly oppressive audit and control procedures. 	<ul style="list-style-type: none"> ● Line agency competition can cripple performance; ● Complex communication needs. 	<ul style="list-style-type: none"> ● Good history of inter-agency cooperation; ● Technology sensitive to lack of complementary inputs; ● High capability in appropriate agency; ● Agency has high target group orientation.
4	<u>Project Management Unit</u> (autonomous and temporary) such as those often created as part of an IRD project design	<ul style="list-style-type: none"> ● Can be used to concentrate authority in project area; ● Familiar to engineers who staff infrastructure projects; ● Can avoid oppressive audit and control procedures; ● Can avoid inappropriate boundaries. 	<ul style="list-style-type: none"> ● Very difficult to institutionalize; ● Temporary nature creates personnel management problems. 	<ul style="list-style-type: none"> ● Environment hostile to target group; ● Simple infrastructure focus; ● Standard operating procedures very cumbersome; ● Technology highly uncertain.

pines. In other cases the function is assigned to an individual position, such as a project monitor in a program office.

There are advantages and disadvantages to both approaches. Individual liaison positions are often caught in the middle, with no authority to make decisions and no independent resource base. Committees, however, may also be composed of members without authority to make commitments. Consequently, liaison roles often lead to information-sharing without resource-sharing.

A third strategy for promoting coordination is to budget funds for extemporaneous, temporary task forces to help solve problems. Such task forces can be technical (central government engineers temporarily in the field redesigning irrigation system components in a project) or managerial (organization development specialists working with staff to improve communication). Task forces may be composed of permanent IRD staff, short-term consultants, or a combination of the two. The success of task force efforts, however, is dependent upon the involvement and commitment of those who will have the job of implementing the resulting recommendations.

A fourth strategy is the establishment of dual reporting requirements. For example, staff in a land settlement division may report to both an IRD project manager and to the Ministry of Agrarian Reform. Although theoretically this provides a strong link between cooperating organizations, experience in such divergent places as Honduras, the Philippines and Tanzania suggests that it may be a source of difficulty rather than a workable solution. The determination of a reporting format, and the resulting paperwork burden can produce a diversion of energy, decreased performance and friction. This is especially true in interagency settings using coordination strategies and in loca-

tions with a history of interorganizational conflict. As an internal liaison strategy within an integrated PMU, however, this approach has been useful. An example of this is the Lilongwe Land Development Programme in Malawi.

The fifth strategy is the use of management methods rather than organizational relationships. Such techniques as organizational responsibility charts, bar charts or network analyses can all be used as a focus for joint planning among cooperating staff. Periodic meetings and on-site staff training programs also fall into this category. All of these methods have provided positive results.

STAFF AND STRUCTURE

Organizations are not pre-engineered, static, mechanistic blueprints for service delivery. They are dynamic combinations of human and material resources striving to achieve multiple objectives. Thus, the "people" factor is important.

Although donor-designed projects often assume that positions will be filled by "heroes on horseback," actual staff are not always the most qualified and they seldom receive adequate support or attractive terms of service. Consequently,

4. If programs require high levels of competence, skillful interorganizational coordination, or sophisticated management methods, then they are less likely to deliver adequate, timely mixes of goods and services.

In defense of poor performance records, field personnel often complain that their units are understaffed. Regardless of these claims, organizational research suggests some very different propositions:

5. If organizational units are slightly understaffed, then they have fewer territorial battles because there is more than enough activity to go around. Overstaffing, however, increases territorial battles; and
6. If there is slight understaffing, then there will be higher participation, a higher sense of self-competence and a greater tendency to accept new members into the group.

Thus, performance is more often inhibited by inappropriate organization designs than by inadequate staffing levels.

INFORMATION SYSTEMS

Based on field experiences, some useful guidelines for information systems have emerged. Suggested stages for developing information systems include:

- Be sure there is a need for something different from what is ongoing:
 - Never undertake any new data collection effort without an inventory of what formal and informal data are already available;
 - Never undertake any new data collection effort without knowing what information decisionmakers are currently using;
 - Never undertake any data collection without specifying how each piece of information is to be used; and
 - Never collect any information until the costs of collection and analysis have been budgeted.
- After the above have been established:
 - Determine the decisionmakers in need of information; and

- Determine information needs in the context of their potential use by each decisionmaker.
- And a final caveat:
 - Make designs flexible enough to re-define both the data to be collected and the analytical tools to be applied to them.

When developing information systems, external information flows and organization structures must all be taken into account. If this is not done, the information collected may not help to achieve IRD objectives. For example, having an agricultural extension agent both disseminate information and collect credit payments is a result of faulty design. In such a case, little information will be "extended" because farmers sighting the agent will not know which function he is performing. In this situation, the most prudent course of action for a delinquent debtor is to avoid contact. The effect on project performance and two-way communication is obvious.

In other situations, the effect is more subtle. For example, a ditch tender in an irrigation scheme may be charged with the collection of data which is unnecessary for the performance of the job. Rotation schedules, water levels and ditch conditions are necessary data. Crop yields are not. If a ditch tender is burdened with the collection of yield data, two problems may result. First, time may be diverted from the main task and then project performance will suffer. Second, since yield data is of peripheral importance to ditch tending, it may be collected in a sloppy manner with the result that higher level decisions may be based on faulty information.

Specific propositions about information system design and use include the following:

7. If IRD project managers develop informal information systems that provide them with simple, useful, and reliable data, then they will be more able to manage staff conflict and deliver goods and services;

8. If simple information systems channel data directly from a problem source to a decisionmaker with the power to affect that problem, then they will be used more, and be more influential. Complex reporting formats and systems that filter data through multiple organizational layers to actors removed from direct interest in the problem will be less effective.
9. If client groups are part of two-way information flows, then IRD projects are more likely to deliver the appropriate mixes of goods and services to them.
10. If project administrators know how decisions are made within cooperating organizations, then they will be more able to coordinate the activities of those organizations.

SUPERVISORY MANAGEMENT BEHAVIOR

People are usually promoted to positions as project managers because they have done good jobs with their skills. Thus, technicians such as engineers, agronomists or extensionists become managers. Consequently, they must learn supervisory skills on the job. This can compound implementation difficulties by producing defensive, arrogant or even secretive behavior from those who fear that their lack of management expertise will be discovered.

Two trips made under this contract support this perspective. In the first example, the expatriate chief of party for an East African project was a technician without management skills. In fact, the project was so poorly managed, that performance suffered accordingly.

In the second example, an Asian IRD project manager with technical training, but no management training, was searching for assistance. Sensitive to the feelings of this staff that he

did not know how to manage, he was consulting an out-dated, low-quality management text based on limited, industrial work-place experiences. Although this text was largely irrelevant to his situation, it was the only source available.

A clearly needed service, then, is to provide project managers with management skills. This section identifies management practices which are generally effective. For example:

- Joint planning exercises improve service delivery, identify contingencies and increase staff satisfaction.

When carrying out a task, two-way communication is needed to identify changes in the environment and provide feedback to both the supervisor and the implementor. Management experience suggests the following:

- Successful managers view management as a bargaining process and use quid pro quo exchange relationships rather than seeing it as a strictly rule-enforcement process;
- Managers who use informal processes to develop decisions or consensus and then use formal mechanisms (such as meetings or letters) to announce the decisions will encounter less resistance in implementing those decisions than those who use formal channels to develop them;
- Managers who are able to create a win-win rather than a win-lose definition of a situation are successful in resolving conflict;
- Managers who defend the interests of their staff encourage both performance and loyalty.

The relative effectiveness of general practices, however, will be influenced by cultural values and organizational settings. For example, Figure 2 suggests that a more participatory management style may be necessary in PMU-type organization, whereas a traditional line organization may require less involvement to achieve similar results.

ADMINISTERING MATERIAL RESOURCES

Procurement, inventory control and vehicle management loom large among the barriers to smooth implementation. Procedures should be geared to specific project needs, local practices and organizational structures. Nevertheless, the following general guidelines can facilitate the implementation process in a wide range of settings:

- A liaison office in the port city should be designed into projects to handle port clearance and free the chief of party from excessive concentration on procurement;
- The actual content of shipments should be checked before they leave the port of origin;
- Custodial accountability for every project asset should be vested in a single, identifiable person; and
- Custodial accountability and record-keeping control should be vested in different people.

MANAGING TECHNICAL ASSISTANCE

There are four major problems associated with the management of technical assistance (TA). They are:

- The size and nature of the existing talent pool severely restrict long-term strategies;
- Project designs do not adequately consider changing TA needs during the life cycle of complex projects;
- The type and amount of short-term assistance needed during implementation is often under-estimated during design, and available assistance is rarely used effectively; and

- Many TA teams do not function with a common approach and mutually supportive activities.

To lessen the effects of these problems, the following four guidelines are suggested:

- Strict adherence to high technical competence should not be at the expense of personal flexibility because it will lower staff effectiveness;
- The tradeoffs between a long-term, limited TA team and a short-term flexible mix of TA personnel should be carefully considered during design;
- Short-term consultants should use consensus-building to establish commitments that can be used by project staff after their visit; and
- Technical assistance teams should have home office bases and permanent staff as chiefs of party.

The major strategies for providing long-term technical assistance are identified on the following page. Both strengths and weaknesses are noted. Any consideration of an appropriate strategy, however, must examine the mix of short-term and long-term personnel.

SUMMARY

The link between IRD resources and service delivery is strewn with problems. Some of these problems can be minimized by appropriate organizational structure and managerial practices.

Common organizational failings are:

- A tendency to design projects with fragmented authority, a dependence upon a wide range of resources controlled by a multitude of organizational units, very complex coordination requirements, multiple functions combined in single roles; and

FIGURE 4

A TAXONOMY OF TECHNICAL ASSISTANCE STRATEGIES

	STRENGTHS	WEAKNESSES
Personal Contract: "The Individual Strategy:	<ul style="list-style-type: none"> ● Low cost ● Low profile ● Allows specification of known individuals 	<ul style="list-style-type: none"> ● Limited recruiting pool for individual specialists ● Isolation from new approaches to development ● Reliance on donor or host governments for procurement ● No mechanism for short-term TA ● Difficult support services (insurance, retirement, household storage) for expatriates
University Contract: "The Academic Strategy"	<ul style="list-style-type: none"> ● Link to research networks ● Can improve quality of "development studies" program ● Field team has permanent base 	<ul style="list-style-type: none"> ● Can be "dumping ground" for poor faculty ● Reward system may support research but not action ● Usually inexperienced in procurement ● High cost ● Not easy to deliver short-term TA
Private Firm Contract with only Temporary Staff: "The Bodyshop Strategy"	<ul style="list-style-type: none"> ● Allows specification of known individuals ● Builds "talent search" capability in domestic organization ● Does not require strong capability in HO ● Can deliver short-term TA 	<ul style="list-style-type: none"> ● Temporary staff handicaps field management ● Lack of previous experience with home office (HO) ● HO incentive is to cut costs, provide minimal support ● Reliance on donor for procurement ● High cost
Private Firm Contract with Permanent Chief of Party and Involved Home Office: "The Management Team Strategy"	<ul style="list-style-type: none"> ● Link to information networks ● Facilitates field management ● Facilitates procurement ● Facilitates short-term TA ● HO accountability for contract provides incentive to do job 	<ul style="list-style-type: none"> ● High cost ● Long communication and supply lines ● Requires strong HO with knowledge and competence in development ● Adds another actor into the development assistance project ● Does not build procurement capacity in host government

- A tendency to provide long-term technical assistance which is independent of an organizational base and neither answerable to nor supported by a home office.

Common managerial failings are:

- Using ineffective supervisory and programming practices;
- Basing decisions on data and criteria which are not useful for providing goods and services to target populations;
- Making unrealistic assumptions about the long-term technical assistance talent pool; and
- Paying too little attention to the intra-organizational dynamics which often determine the limits of coordinating the efforts of independent organizations.

These problems are addressed in this report. In addition, the tradeoffs between alternative organizational arrangements are specified, and the present state of knowledge about supervision, information systems, technical assistance and managing horizontal relations are related to the IRD problem set.

Although there is an accumulated body of "traditional wisdom" about organization and administration, there is also a recognition that competing objectives, shifting situations and the political economy of IRD environments can complicate any set of prescriptions. Thus, there is no single guaranteed strategy.

Some complications are related to the sequence of IRD objectives. The most effective service delivery strategy may concentrate authority and integrate resources, yet fail to encourage local response. Thus, although goods and services must be delivered for IRD to succeed, short-term project management concerns should be viewed in the more distant light of villager response and self-sustaining development.

SECTION III

CONSIDERING LOCAL RESPONSE

IRD projects are not likely to succeed without appropriate local responses to development initiatives. These responses may take several forms, but they are fundamentally the adoption of new technologies or resource commitments to achieve development objectives. A serious problem in implementation has been the frequent failure to elicit such responses.

REASONS FOR LOW RESPONSE

Three categories of factors inhibit villager response to project initiatives. The first category is the one most sensitive and least amenable to control by project designers or managers -- national policies. The second relates to constraints in the immediate project environment which may, to a certain extent, be amenable to modification. The third is the one seemingly most capable of correction -- inappropriate project initiatives.

Inappropriate national policies often result in a lack of integration of the rural poor into the cash economy, an emphasis on exportable crops, overvaluation of national currencies, and minimum wage and pricing policies that discriminate against rural economies and rural people. Nevertheless, it does not follow that a macro policy should be changed just because it causes an IRD implementation problem. Macro policy judgments are based on

other factors as well. Additionally, the power of present policy tools to deal with the full range of economic considerations is limited.

To a great extent, the capacities of rural people to respond both to perceived problems and to the resources made available to them will depend on the constraints imposed by local social and physical factors. Frequently, the importance of these concerns is reinforced by seasonal change. Because environmental factors constitute constraints to local response, particularly in terms of its predictability, there is a corresponding need for local understanding and flexibility in project management.

Ill-conceived project initiatives are caused by:

- Failure to adequately consider the nature of the subsistence farmer's perceptions of risk;
- Excessive project administrative and technical complexity; and
- Benefit packages which satisfy donor rather than local perceptions of need.

SUPPORTING RESPONSE

Basically, there are three administrative orientations toward local response. The first is to do nothing. This equates the delivery of project goods and services with welfare improvement -- a common, albeit unjustified, leap of faith.

The second option is to temporarily offer overwhelming incentives to induce a desired response. This can, indeed, lead

to impressive economic growth, but it falls short of authentic development on grounds of both equity and sustainability.

The third option is to seriously consider local response by developing organization and management strategies to support it. Two particular mechanisms -- local organization and participation -- have been widely suggested as elements of the third option. The strengths and weaknesses of these techniques are investigated below.

Local Organization

Local organizations range from functional groups such as small farmer marketing cooperatives to social or religious bodies. Most communities have an official or semiofficial development committee with close links to formal local leadership. These groups vary greatly both in terms of their community representativeness and their state of vitality, but even a moribund group may become a development resource.

Local organizations can play potentially positive roles as vehicles for:

- Establishing two-way information flows which provide technical information, support those individuals who try new approaches, and break down barriers between groups or individuals;
- Minimizing risk and practicing economies of scale;
- Adapting project activities to local conditions;
- Marshalling local resources;
- Achieving local political and economic independence; and
- Coordinating and spreading the benefits of outside assistance.

However, there is also the risk that existing circumstances may be worsened because local organizations can play potentially negative roles by:

- Perpetuating inequitable social systems;
- Controlling rural populations; and
- Weakening or destroying local cultures.

In general, while local, beneficiary-run organizations, are no panacea for response problems, they may sometimes be important vehicles for providing the link between project-related services and village use. Organizations which contribute to successful rural development tend to possess certain attributes. In Figure 5, several such characteristics are listed, along with supportive criteria.

Local Participation

A key factor affecting the choice of responses to project goals and services is the link between the felt needs of people and the goods or services offered to them through a project intervention. This link is most effectively created when rural people are actively and meaningfully involved in both the process of determining goals and allocating resources to achieve them and the execution of resulting programs and projects. Possible beneficial functions of participation include the following:

- Adapting new ideas to local circumstances;
- Gaining acceptance for new ideas;
- Obtaining a resource commitment;
- Handing activities over to local people in a manner that will become self-sustaining; and
- Limiting or reducing exploitation.

FIGURE 5

ATTRIBUTES OF ORGANIZATIONS CONTRIBUTING TO RURAL DEVELOPMENT

Attributes of Organizations Contributing to Rural Development	Supportive Criteria
Openness to participation by a broad spectrum of the community. (Boundaries drawn by function(s), not economic or social status.)	<ul style="list-style-type: none"> ● Local participation in organization design. ● Broad and frequent interaction within organization. ● Accountability to members by those allocating and using organizational resources. ● Broadly-based managerial and technical skills.
Consistency with culturally accepted practices.	<ul style="list-style-type: none"> ● Conformity of new organizations to norms of traditional institutions. ● Adaptation of existing organizations to new functions. ● Traditions of broad-based community decision-making.
Capacity for multiple adaptations and functions. ^{1/}	<ul style="list-style-type: none"> ● Delivery systems capable of meeting the needs of more than one group in a coordinated manner. ● Capacity to respond to changing community priorities. ● Multiple constituency support providing broader economic bargaining power.
Linkages, both horizontally to complementary institutions and vertically with centers of power controlling policy and resources.	<ul style="list-style-type: none"> ● Mutual reinforcement of technical and administrative skills and services to the community. ● Support from bureaucratic systems independent of local decisionmaking. ● Access to resources and information not available locally. ● Participation in communications networks to broaden awareness of local needs and circumstances at policymaking levels.
Equitable distribution of organizational benefits.	<ul style="list-style-type: none"> ● Broad participation in organizational activities and leadership. ● Relative equity in local asset ownership patterns.^{2/} ● Organizational accountability to a community constituency beyond its members.

^{1/} This characteristic must be assessed in terms of the particular organizational environment and the relevant tradeoffs between single and multiple functions. Too many functions may lower performance or concentrate excessive power in a single organization.

^{2/} Empirical evidence on this point is somewhat ambiguous. Gow (op cit, p. 120) found a correlation between organizational impact and unequal land holdings. In this case, unequal holdings may have been a proxy for the presence of progressive farmers able to give effective leadership to organizations. Furthermore, impact does not necessarily imply equitable distribution of benefits.

However, many factors constrain the implementation of participating strategies. These factors include:

- Weak local governments dependent on higher authority for both decisionmaking and resources;
- Local dominance by elite groups controlling production relations;
- Dependency of poor farmers on patrons affecting perceptions of risk and attitudes toward change;
- Lack of local managerial, financial, and organizational skills; and
- Limited capacity of the poor to make resource commitments.

Effective management strategies for inducing participatory action require recognition of these factors.

Two mechanisms have been presented for implementing IRD activities in ways which support villager response. Transferring these mechanisms from paper to practice, however, is a function of management.

Management

Management approaches to project implementation range from a "blueprint" style to a "process" approach. The former is typified by certainty on the part of planners and managers that predetermined technologies and intervention techniques will work in a given local situation. It assumes that solutions to problems are known and that projects are vehicles for the application of these solutions. The process model, by contrast, assumes considerable uncertainty and is characterized by flexibility, an emphasis on learning, continual openness to redesign, and adaptation to changing circumstances. This learning/process model includes such characteristics as:

- A design broken into discrete phases;
- A large amount of short-term technical assistance;
- An emphasis on action-oriented training among both staff and beneficiaries; and
- A reward system consistent with a learning orientation;
- An applied research component;
- A learning component, such as a "rolling" regional plan;
- A redesign orientation, such as periodic revisions of project organization, project objectives and job descriptions of project personnel.

This is more likely to elicit voluntary local response than is the blueprint style because process approaches grow in scope and complexity at a pace consistent with the abilities of local people to absorb. However, these approaches also make major demands on project managers and staff.

Effective leadership at the local level is a critical factor in implementing and sustaining process initiatives. There are problems, however, in trying to promote rural development through traditional leaders. They may lack skills or be captive to local interest groups unsympathetic to development efforts. These potential problems must be weighed against the advantages provided by the traditional "legitimacy" and community support enjoyed by these leaders.

The alternative, at least in the short-term, is dependence upon stronger, more skilled outside leadership not as likely to be representative of the poorest elements in the community. Community organizations in particular may benefit significantly from the expertise, influence, energy, and commitment of such

leaders. The challenge is to develop a pattern of shared decisionmaking which is inclusive rather than exclusive. This requires joint planning, management, and monitoring of activities. It also implies simple field-level management information systems with reporting procedures that incorporate local participants into the process.

Involvement of rural people in project decisions and activities is partly dependent upon the relationship between project management and lower-level personnel. This relationship has a direct bearing on staff attitudes and performance. The implications of staff relations bearing on appropriate local responses are the following:

11. If participation by internal staff in organizational decisions is encouraged in the project, increased beneficiary participation will be facilitated.
12. If informal participation is relied on, then staff are more likely to minimize client roles than if formal mechanisms for client participation are built-in to project designs or introduced during implementation.
13. If efforts to give beneficiaries a voice in project decisions are timed to take advantage of situations that provide encouragement to those who must yield some control, then resistance to those efforts will be lowered.

Further guidance is provided by Figure 6. This figure summarizes methods for supporting local response by identifying important factors to consider when choosing a management strategy.

SUMMARY

The response problem is usually manifested as either non-adoption of new technologies or noncommitment of rural re-

FIGURE 6
METHODS TO SUPPORT LOCAL RESPONSE TO PROJECT GOODS AND SERVICES

Management Strategy	Factors to Consider
<p><u>Felt needs and benefits</u></p> <ol style="list-style-type: none"> 1. Define nature of response intended (target group, intensity of response, channels of response, etc.) 2. Specify environmental factors affect-local risk perceptions 3. Establish and maintain two-way communication links between project staff and beneficiaries 4. Design initial benefit package which is specific, visible, and oriented to particular target group economic needs 	<ul style="list-style-type: none"> ● Requires cultural sensitivity ● Risks excessive "blueprinting" ● Best understood by local personnel ● Particularly important in projects directed towards subsistence farmers ● Essential for feedback to project staff re beneficiary needs ● Keeps beneficiaries informed about project activities ● Served by direct contact between staff and villagers (i.e., home visits) ● Suggests sequential approach building on relatively simple, tangible components ● Reduces risk of misapplication of new technologies
<p><u>Social base</u></p> <ol style="list-style-type: none"> 1. Utilize process approach to build local interest and capabilities 2. Utilize flexible planning methods 3. Draw project staff from local talent with strong cultural identification 4. Emphasize capacity-building in local organizations 5. Engage in multi-level training for beneficiaries 	<ul style="list-style-type: none"> ● Adds to project time and possible cost ● Resistance likely from donors or bureaucrats needing quick, measurable results ● Suggests joint-planning mechanisms to maximize inputs from different project levels ● Adds to project credibility ● Improves understanding of local conditions essential for appropriate response ● Helps equip organizations to mobilize and lead local response ● Supports process approach as organizations mature ● Builds competence to participate in project decisions and activities ● Develops understanding of broader project objectives
<p><u>Local leadership and control</u></p> <ol style="list-style-type: none"> 1. Incorporate participatory staff structures in project organizations 2. Utilize open project management style (publish management decisions and financial records; broaden access to project activities) 3. Orient project staff toward service to poor farmers 4. Utilize simple field-level information systems 5. Enlist local leadership/progressive farmers in support of project objectives and activities 	<ul style="list-style-type: none"> ● Increases willingness of staff to yield control to beneficiaries ● Provides beneficiaries with opportunity and information need to respond effectively to project initiatives ● Served by training and capacity-building activities ● Influences staff selection and training ● Most effective if supported by incentives to encourage appropriate staff priorities ● Supported by mechanisms for staff accountability to beneficiaries ● Incorporate local people in reporting procedures ● Disseminate information in local language and in understandable form ● Takes advantage of existing sources of leadership and power ● Increases risk of benefit control by elite

sources. Information about nonresponse is thus required to signal management that a problem exists.

Common causes of nonresponse include:

- National policies;
- Environmental constraints; and
- Inappropriate initiatives.

Although some of these causes can be influenced during design, many of them either are beyond the control of design teams or do not surface until implementation is already underway. Consequently, flexibility should be a cornerstone of IRD strategies.

Numerous suggestions have been made for ways to encourage local response. Major approaches include:

- Working through local organizations; and
- Incorporating villagers into project decisionmaking structures.

Furthermore, management initiatives to improve villager response have been suggested. These include the use of "process" strategies, effective coordination with local leadership, and incentives for supportive staff behavior.

An important point is that nonresponse by villagers is usually a very rational behavior. Until this is recognized and acted upon, there is little chance that IRD efforts will be any more successful than they have in the past.

SECTION IV

CONSIDERING SUSTAINED IMPROVEMENTS IN WELFARE

The ultimate goal of the implementation process is to create self-sustaining improvements in beneficiary welfare. Unfortunately, this rarely happens. It is far more common to find that benefit-generating activities rarely continue once foreign assistance has ended. Since the continuation of benefits is the "bottom line" of IRD, their absence proclaims a dire need for ways to produce self-sustaining welfare improvements.

MEASURING WELFARE

Welfare is usually measured by selecting a set of quantifiable variables which are used as proxies for broader, less quantifiable definitions. Many proxies have been suggested, ranging from limited measures of improvements in material well-being, such as income measures, to measures that attempt to capture changes in human and institutional capabilities. The former are nearly always inadequate; the latter are often unwieldy. Since proxies capture only limited dimensions of broader welfare concerns, unmeasured effects may offset and even outweigh the effects measured by the proxies.

The importance of unmeasured effects becomes more significant when development efforts follow an integrated strategy. Since IRD approaches focus on interactions among variables such as agricultural production, health, physical infrastructure and

organizational capability, side effects that reduce the impact of any one dimension could dampen total effects; or extraordinary effects within one component could throw the rest out of balance.

THE CENTRALITY OF SIDE EFFECTS

Despite careful planning and expert management, integrated rural development projects may have many unanticipated effects. They are usually perceived as negative, though positive ones also occur. The "benefit tree" depicted in Figure 7 is one attempt to anticipate and display both positive and negative effects of a new potable water source. It highlights the complexities of welfare measurement and the importance of developing a conceptual scheme for identifying benefits and burdens.

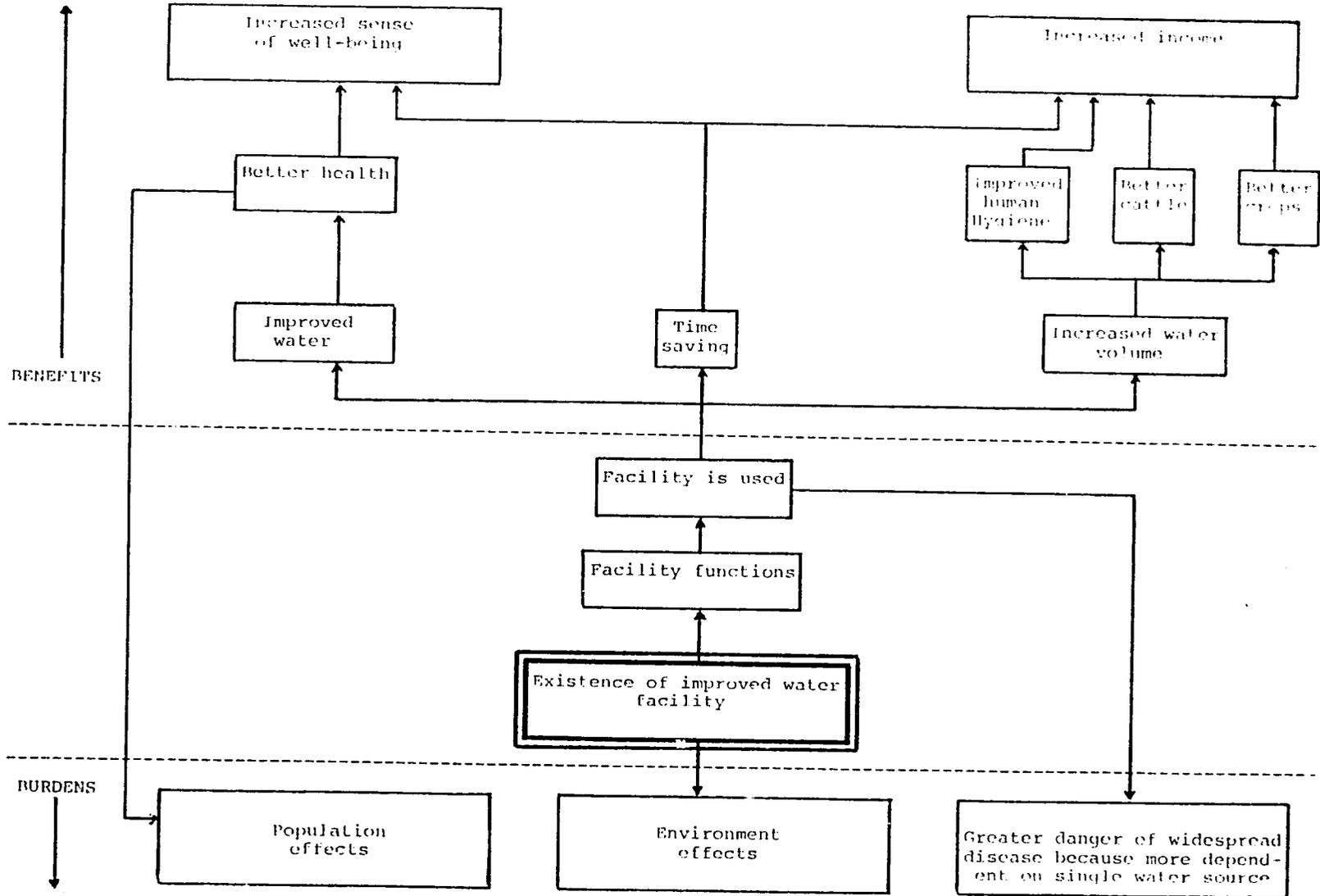
Given that side effects can be more important than intended effects, a major difficulty facing IRD designers and implementors is the need to recognize and deal with unanticipated impact.

DEALING WITH SIDE EFFECTS

Conscious strategies to minimize negative effects have been identified. The three most useful ones are flexible designs, information systems and popular participation. For example:

14. If project strategies allow for change in project initiatives or direction, then they will improve the chances that positive side effects can be built upon, and negative side effects can be minimized.

FIGURE 7
 BENEFIT TREE FOR NEW POTABLE WATER SOURCE



This approach, often called the "process" model of project design and implementation, gives management the flexibility to adjust the course of a project as more knowledge is gained about appropriate approaches and as negative effects appear.

Designing and implementing relevant and usable information systems is a difficult -- and rarely achieved -- task. Nevertheless, there is a critical need for early-warning signals because:

15. If an information system provides timely management and impact data to project staff and policymakers, then side effects may be identified early enough to either incorporate them into the strategy or counteract them.

Furthermore, a warning system is reinforced by local participation:

16. If beneficiaries participate in project decisions, then side effects may be identified and appropriate remedies may result.

The involvement of local residents in project decisionmaking can help to avoid unwanted effects -- because their participation can not only contribute to the knowledge of project staff but also help to avoid potential problems.

In addition to these three strategies, the organizational placement of an IRD project can influence the ability to deal with side effects. Unfortunately, this is seldom emphasized. For example, current thinking on Project Management Units (PMUs) tends to focus on their non-sustainability. Although this perspective is largely accurate and certainly commendable, sometimes self-destructing, non-sustainable project organizations may be more capable of "protecting" rural welfare than strategies that cannot be stopped:

17. If technologies are highly uncertain and experimental, then it may be preferable to test them in a temporary setting where there is less chance of detrimental approaches becoming permanent policies.
18. If permanent government institutions are not sympathetic to the welfare concerns of an intended beneficiary group, then it may be preferable to use temporary PMU-type project organizations responsible for transferring functional capabilities to beneficiary-oriented groups.

When the current state of public services, side effects, sustainability, and the uncertainty of rural development are considered simultaneously, the welfare implications of alternative organizational placement strategies become more complex. Such considerations suggest that it might be more important to focus on the sequence of project or program strategies rather than merely considering placement a one-time choice.

BUILDING CAPACITY

An emphasis on the sequential roles that different organizational forms can play reaffirms the need to build performance capability either in permanent agencies or in beneficiary organizations that will inherit project functions. IRD field experience suggests that the following conditions favor the creation of self-sustaining benefits:

- Projects should be small-scale;
- They should focus on critical constraints;
- Potential beneficiaries should make a resource commitment during project implementation;
- Organizational capability should gradually be built into the beneficiary group so that it can run, if not eventually control, project activities; and

- Shared implementation responsibility between beneficiaries and project staff, formal and nonformal training for both beneficiaries and staff, and beneficiary participation in project information systems; and decisions should be used to build local capability.

In order to secure the greatest impact from the application of resources, project focus and project area must be consciously selected. One aspect of selection that determines investment level is the size of the problem to be tackled. Another aspect is "absorptive capacity." That is, if an area cannot absorb new resources, they will simply "spill over" and be wasted: they will not contribute to reducing the problem.

One dimension of absorptive capacity is the ability to spend more quickly. That is, if a provincial budget is increased tenfold but the money just sits in the treasury account it will not contribute to rural development.

With this example in mind, three ways to deal with absorptive capacity can be identified. The first way is to accept the situation as a constraint and not overtax current capacity. For example, to adjust to a limited spending capacity, added resources can be kept to a low percentage of present expenditures, or new expenditures can be made routine fixed costs (such as salaries) rather than non-routine variable costs (such as funding multiple, sporadic subproject activities), or disbursements can be provided on a one-time only basis (such as the initial capitalization for a cooperative revolving credit fund).

The second way to deal with low absorptive capacity is to raise it: to employ more treasurers, paymasters, bookkeepers, auditors, etc., and to develop less cumbersome procedures for turning money into rural development activities. Training both new and existing personnel in streamlined procedures is also an aspect of capacity-building.

The third way to develop absorptive capacity is to create a mixed strategy which simultaneously, or sequentially, uses elements of both of the previous approaches.

Although training people, time-phasing the gradual expansion of IRD project functions and area coverage, and providing initial capital may begin capacity-building efforts, an examination of workable procedures and the wider arena of societal incentives is necessary for performance capability to be developed. This includes an assessment of incentives for resource commitment after project completion.

There is also the need to make a distinction between benefit continuation and project activity continuation. While these two notions are interrelated, they are distinct concepts. For example, IRD projects are frequently designed to provide supplies and marketing services to farmers. This may include such items as improved seed, fertilizer and credit, and the purchasing and marketing of cash crops. Equally as common is the effort to improve the capability of local farmer organizations to perform these functions. To the extent that local organizational capability is developed, these activities no longer need to be performed by the project staff. Continued project involvement is no longer of interest, and additional resources should not be expended towards that end. In sum,

19. If project functions cannot be institutionalized within a government structure, then there is a low probability that sufficient support -- both political and administrative -- will be available for the continuation of project activities after external resources are withdrawn.
20. If projects have self-contained, small-scale components, then it is likely that some component activities will continue to provide benefit streams after project termination; and
21. If projects have no commitment to building organizational capability, then they are less likely to promote self-sustaining welfare.

SUMMARY

The link between local response and self-sustaining welfare is highly uncertain. It is also highly problematic until there are better ways to identify what welfare really is. Until it is possible to understand the complex side effects that can result from IRD endeavors, this link will remain tenuous.

In terms of measuring self-sustaining welfare improvements, the state of the art suggests the following:

- Welfare improvements should be measured in both material and non-material terms;
- Welfare measures are situational and should be developed within the context of project environments; and
- A focus on direct benefits, benefit continuation and benefit growth offers promise.

In terms of managing self-sustaining welfare improvements, the state of the art is less developed. The core of any advance, however, is likely to be related to improvements in:

- Managing participation;
- Identifying and building organizational capability;
- Devolving performance responsibility to local organizations in some settings but raising government agency capability in other settings;
- Eliminating harmful programs;
- Designing projects with capacity-building activities combined with local resource control and semi-autonomous small-scale components;
- Creating information systems, either formal or informal, which can swiftly identify problems; and

- Using the information thus generated to create an institutional memory.

Compared to the other linkages in the implementation process, this is the most uncertain. Although recent initiatives show promise, much more hard thought and experimentation are required.

SECTION V

CONCLUSION

In this report, integrated rural development was defined as the process of combining various development services into a coherent effort to improve the well-being of rural populations. Numerous ways for delivering goods and services, supporting beneficiary response, and promoting self-sustaining development were presented. Organization design and management behavior were further identified as important factors influencing both the implementation process and the resulting modifications in rural environments.

The purpose of this final section is to summarize major points, to emphasize pervasive concerns, and to suggest some implications for program design and support.

ORGANIZATION DESIGN

Many so-called "management" problems in IRD can be traced to inappropriate organizational arrangements. For example, a coordination strategy which disperses authority among numerous independent agencies and then expects a powerless manager to somehow orchestrate and blend their activities into a well-sequenced and coherent program is a common organization design failing.

Inadequate consideration of the importance of organization also affects beneficiary response to IRD activities and the

sustainability of program-related innovations. When such organizational mechanisms as committee representation, resource control, two-way information flows, check-off procedures and local organizations are designed to support beneficiary participation, then local response is facilitated. However, when formal mechanisms are unspecified, there is a tendency for daily concerns of vehicle maintenance, pay schedules and other short-term issues to dominate the scene. In such situations, the more distant issues of response and sustainability receive less attention.

Given the complexity of most IRD programs and their sensitivity to organization and management, it is imperative that the designers of IRD efforts give organization design a high priority. Moreover, it must be remembered that each program organization must be custom-tailored to the local context. Such factors as local history, local and program technologies, intended beneficiary groups, socio-political systems and the incentives for important actors to cooperate should all be examined during the organization design process. Additionally, organization design must be seen not as a single determination of an optimal strategy, but rather as a sequence of organizational forms adapting to emergent conditions; what begins as a PMU might become a permanent agency attached to a provincial planning body. The scenario, however, should be stated during design while implementation workshops should be used to elaborate or modify the initial idea. Thus there is an important interrelationship between organization design and management behavior.

MANAGEMENT BEHAVIOR

In this report, the tradeoffs between alternative organizational arrangements were specified and the present state of knowledge about supervision, information systems, technical assistance, and managing horizontal relations was focused on the problems of IRD. Nevertheless, there is no single guaranteed strategy. Although there is an accumulated body of "traditional wisdom" about management practices, there is also a recognition that competing objectives, organization designs, shifting situations and the political economy of IRD environments can complicate any set of prescriptions.

A common weakness, however, is the fact that most IRD project managers have not been trained to manage complex processes. They are usually technicians who must learn supervisory skills on the job. To rectify this situation, human resource development activities should be a major emphasis of IRD projects. Staff training programs and joint staff/beneficiary workshops should be used to build management capability at all levels and to provide action-oriented settings for problem resolution and implementation planning. This can also help observers and implementors to keep in mind that the objective of IRD is not the perpetuation of organizational forms or the placement of physical infrastructure; rather, it is the self-sustaining development of human beings by increasing their ability to exploit new opportunities and to solve their own problems in an environment characterized by uncertainty.

UNCERTAINTY

A recurrent theme throughout this report has been the relationship between the complexity of IRD project designs, the uncertainty inherent in the implementation process, and the need for a flexible "process" approach to project design and implementation. One way to view this is as a cop-out -- an abdication of responsibility for discovering the optimal strategy, organization and substance for an IRD effort. This view, in effect, is an admission that the state of the art is too rudimentary to give any guidance and therefore all beginnings are equally appropriate as long as it is possible to adjust to the constraints identified during implementation.

An alternative view, however, is that the organizational and administrative state of the art has advanced to a post-mechanistic stage. Although many tradeoffs between alternatives are known, it is also recognized that unless the dynamic nature of implementation processes and socio-political environments is accepted, IRD goals are not likely to be met. In fact, a review of the propositions in this report suggests that much is known and one of the things recognized is the need for flexibility. Another recurrent theme is the critical role of incentives which support efforts that lead toward IRD objectives.

INCENTIVES

This report supports two general observations about the important role of incentives:

- For project implementation to follow the design, incentives for people to act as intended must be strong-

er than pressures which support competing behavior patterns.

- Leaders often do not emerge because organizations provide disincentives for creative leadership. Thus, selecting personnel is not enough -- incentive systems must support desired staff behavior.

Further problems also develop as a result of differing incentive structures. A key question with any IRD project is its location in the government structure. It is a well-known phenomenon for government bureaucracies to compete for power, control and resources. With the decentralized development emphasis in poverty-focused IRD, this competition between government bureaucracies is often vertical as well as horizontal. Frequently, these issues are not resolved in project agreements, with the result that bureaucratic competition and haggling continue throughout the lifetime of the project.

Since good project design is not something that is rewarded by existing donor incentive structures -- projects are designed for funding approval, and easily anticipated problems are glossed over, resulting in the emergence of problems that have been discussed earlier in this report -- less time is given to the development of internal project incentive structures than is warranted. This results in individual project components pursuing their own ends rather than overall IRD objectives. Thus, a major, pervasive barrier to successful design and implementation is inappropriate incentives.

This has very important implications for the design and management of IRD programs because they tend toward complex interorganizational relationships, complementary inputs, and a multidisciplinary staff with a variety of functions. Therefore the awareness and use of staff incentive systems are likely to be even more crucial for IRD efforts than they are for single purpose rural development programs. Unfortunately, this whole

problem of project incentives is often ignored in project design and management.

A FINAL WORD

Numerous issues have been raised in this report, issues as diverse as the scope of integrated rural development itself. But as diverse as these issues might be they all reflect the fact that the environment in which IRD is implemented is highly political on a number of levels. Ultimately IRD works to improve the welfare, and hence the political power, of the rural poor. The means and speed of this transformation concern numerous actors, everyone from the established local elite to the expatriate staff, the line ministries, the host government, and the donor agencies. The result is an environment that is uncertain and politically charged. The only sensible management response to such an environment is one of flexibility tempered with conscious attention to building the capacity for project sustainability. Such an orientation to a politically charged, dynamic environment is the best way to ensure that IRD is indeed made to work.

SUMMARY

This report has identified numerous ways in which organization design and management practices can be used to improve the preparation, implementation and impact of IRD. Pervasive concerns include:

- A need to focus on building capacity in particular local contexts rather than emphasizing replicability;
- A need to emphasize developing human resources and managerial skills;
- A need to recognize and deal with the critical role of incentives; and
- A need to accept uncertainty and complexity by using flexible approaches to IRD design and implementation.

It is the complexity and uncertainty noted above which caused a question mark to be placed at the end of the title of this report. Although knowledge of tradeoffs among organization designs and management practices has been collected in these pages, much remains to be studied and analyzed. The only certainty is that efforts to make IRD work must continue to record and analyze when and how it does and when and why it doesn't. Such a self-conscious focus on learning processes, after all, lies at the heart of any improvement in the organization and administration of rural development.