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Implementing Policy Change: A Summary of Lessons Learned

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Introduction

From 1990 through 1995, the Implementing Policy Change Project (IPC) provided technical assistance and undertook studies that concentrated on the implementation and management side of policy reform in over 30 developing countries. A second phase of the project (IPC 2) began in late 1995 and will continue technical assistance for capacity-building and applied research for an additional five years. The unifying theme of IPC technical assistance has been the application of a strategic management process approach to policy reforms. The approach consists of a cycle of several steps:

1. Agreeing on a strategic process for developing a policy implementation strategy;
2. Mapping the policy situation, including analysis of political and operating environments, policy content, and stakeholder expectations and resources;
3. Identifying key strategic issues;
4. Designing an implementation strategy;
5. Designing and applying a process to monitor progress and make ongoing adjustments.

Associated with the approach is a set of related analytic and management tools. Linked directly to strategic management are the following: stakeholder analysis, forcefield analysis, political mapping, institutional mapping, SWOT analysis (strengths, weaknesses, opportunities, and threats), priority setting, mission clarification, advocacy/lobbying, constituency mobilization, and values clarification. Drawn from program and project management are: objectives specification, activity planning and scheduling, and management information systems.

IPC's first phase of technical cooperation and applied research activities, mostly undertaken in Africa and to a lesser extent in Latin America and Asia, has yielded a set of valuable lessons relating to: a) the difficult nature of policy reforms, b) the applicability of strategic management process approaches, and c) the use of donor resources to support policy change. This research note summarizes the lessons learned from the first five years of IPC activities, grouped under these three headings.

Why Is Policy Change Implementation So Difficult?

Much attention has been paid to the technical content of policy reforms, sometimes eclipsing careful consideration of arrangements for implementation. Yet appropriate and supportive provisions for implementation are critical for achieving intended results and benefits. As part of IPC's effort to facilitate the policy implementation process, the Project examined the management problems inherent in the implementation tasks associated with policy change. Several lessons emerged relating to the complexity and uncertainty of reforms, and to their tendency to challenge the status quo.

1. Because Reforms Are Complex and Subject to Uncertainty

Policy changes are complex and often unpredictable undertakings. Even under the best of circumstances, plotting steps in advance along the implementation path is difficult; and predicting outcomes is risky. IPC confronted implementation difficulty from two directions. Sometimes we dealt with reformers who saw mainly the big picture. They tended to underestimate complexity and uncertainty by closing their eyes to the "devil" in the managerial details, preferring to focus on the technical content of the policy and on its ultimate goals. On the other hand, we also worked with implementors who concentrated on some particular aspect of the implementation process, e.g., monitoring and evaluation systems or agency structure, and ignored the larger issues. They underappreciated complexity and uncertainty by neglecting what other things need to happen for the policy to succeed. The paradox of policy implementation is that both perspectives are right (when combined) and both are wrong (when separated). What IPC's strategic management process approach offers is a framework and set of tools that help implementors unite the big picture with the details.

Policy changes involve interconnected clusters of mandated goals, statutory directives, and assignment of responsibility to implementing organizations. IPC anticipated working on discrete policies where initial choices had already been made. However, in practice we were often called upon to assist either with sorting out the components of the clusters and clarifying their connections, or with underlying systemic issues related to overall government or agency effectiveness. For example, these broader effectiveness issues arose in IPC's assistance to judicial reform in Guinea Bissau, where basic operational capacity of the supreme court system needed to be improved.

Policy changes cut across organizational boundaries. They require that agencies rethink what they do and how they do it, work with other agencies and external constituencies in new and unfamiliar ways, and call for new and often rare skills. For example, IPC worked with regulatory agencies to eliminate unnecessary redtape, adopt a client service orientation, and develop new working relationships with user groups and sectoral ministries. In several countries, IPC helped to set up policy analysis units that promoted new interministerial working relations that better facilitated policy implementation, and have developed numerous insights into the factors influencing the effectiveness and sustainability of such units.

Policy changes extend over long time horizons. These so-called long haul reforms require managers to understand the steps involved, respond to shifting coalitions of interest groups, build support through information dissemination and stakeholder participation, anticipate and deal with sources of resistance, monitor implementation closely, and engage in iterative planning. For example, over a two-year period IPC teams helped interagency working groups with long-term planning and follow-through in Guinea-Bissau for judicial reform, commercial policy, and agricultural sector reform.

2. Because Reforms Chart New Paths and/or Challenge Entrenched Interests and Dominant Coalitions

In the democratizing political environment of many countries, decision-makers have limited ability to impose reforms without paying attention to credibility, transparency, and accountability. The dynamics of democracy lead countries in new directions, and require new skills, attitudes, approaches and management systems. This means showing decision-makers and policy managers new ways of "doing business" that involve citizens and create opportunities for dialogue (better supply of democratic governance), and helping private sector and civil society groups engage more effectively in policy dialogue with government (better demand). IPC interventions in Uganda to establish the National Forum for

business-government exchange of views, and in West Africa to create Enterprise Networks in eleven countries to lobby governments for a range of business, financial, and trade reforms are illustrative here.

At any given point in time, a policy reflects an equilibrium among a country's dominant set of interests. These groups usually have a strong stake in maintaining the status quo. Policy reform, however, requires disrupting the equilibrium and rearranging the coalition. This is not an easy process; particularly when policy implementation extends over a substantial time period, opposition groups have numerous opportunities to modify, derail, or sabotage reforms. IPC experience has shown that reformers can use the strategic management process approach to plan for and manage the difficult process of reformulating coalitions in favor of changes. For example, IPC assistance to the Southern Africa Transport and Communications Council (SATCC) to develop regional protocols relating to roads, transport, and communications policies helped SATCC to build supportive coalitions in each of the signatory countries in the region. Similar IPC assistance in West Africa helped Mali, Côte d'Ivoire, and Burkina Faso to nurture a regional constituency for livestock trade policy reform.

How Does a Strategic Management Process Approach Help Policy Implementation?

The IPC Project's capacity-building interventions during 1990-1995 demonstrated the utility of strategic management process approaches to policy change. While it is difficult to establish a direct link between increases in strategic management competencies and improved policy outcomes, both informal assessments from host country and USAID participants, plus the results of IPC's mid-term evaluation, acknowledged the functional value of building policy reformers' strategic management capacity. The strategic management approach can further policy implementation in the following ways.

1. By Helping Implementors Focus on Stakeholders and Participation

Strategic management approaches help managers "look out" beyond the boundaries of their individual agencies to become more aware of who and what is "out there." They counter the well-known tendency of public agencies to "look in," concentrating on the pursuit of internal bureaucratic routines. A more outward-looking focus addresses the organizational boundary spanning problem (e.g., by helping managers identify who else they need to work with), the long-haul problem (e.g., by getting managers to build support for, and counter opposition to, change through stakeholder participation), and the policy vision vs. management details problem (e.g., by facilitating a process whereby participants plan what needs to be done today to reach the envisioned long-term destination farther down the road).

IPC's participatory strategic approach, which expands involvement of stakeholders in the policy implementation process, can increase managers' ability to anticipate and deal with obstacles and opposition to change (the constituency and coalition building issue) while simultaneously building capacity for democratic governance by inculcating norms of accountability and transparency, and providing a process for making those norms operational (e.g., Uganda's National Forum, SATCC regional protocols workshops).

2. By Linking Strategic and Operational Management Tasks

Successful managers recognize the links between strategic and operational management tasks. Paying attention to the tasks of strategic management leads to connections between those tasks and operational ones that are mutually reinforcing. Integrating strategic thinking and routine operations leads not just to the question, "are policy managers acting more strategically?" but in addition, "do those managers connect their new strategic behaviors to what the rest of their organizations are doing?" Addressing this latter question helps to assure that capacity-building takes account of the range of factors important for sustainable change.

Without achieving some minimal level of operational efficiency, it is difficult for agencies to think or act strategically. Weaknesses in dealing with basic operations limit an organization's scope to exercise the strategic management function. Thus, dealing with "nuts and bolts" issues of organizational structure and procedures to improve core operational competencies, as well as addressing directly the "looking out and ahead"

tasks relating to strategic planning and management, can be a necessary complement to helping implementors act more strategically. IPC experience has shown that one can start with either set of tasks and help managers move to the other. For example, examining why Zambia's ministerial cabinet was having problems in moving policy decisions smoothly to implementation led to some basic improvements in document flows, cabinet memorandum preparation, and program approval procedures. Starting with some basic operational concerns had the added benefit of starting with what was familiar before moving to the unfamiliar.

3. By Giving Implementors a Framework, a Process, and a Tool-kit

Whereas the conceptual framework of strategic management can be difficult to grasp initially, the applicability of the analytic and planning tools associated with it is more obvious. IPC's principle of "starting where the client is" has proven successful in broaching strategic management concepts. Stakeholder analysis has proven to be the most widely applied of the tools and is the easiest way to introduce the strategic management framework and its utility, followed by political and institutional mapping, and SWOT assessment. In some cases IPC's clients were familiar with the strategic management tool-kit, but simply did not see it as relevant to public policy until shown how the same concepts applied.

Workshops have proven to be highly effective in establishing and supporting strategic management processes, and in providing opportunities for participation in policy change by affected parties. Effective workshops contribute to:

* Democratic governance by bringing together groups that have not worked together before, establishing common ground and areas of agreement and accountability, increasing support for policy solutions, and building constituencies and ownership for reform.

* Organizational performance by improving coordination across implementing agencies and sectors, elaborating jointly understood roles and rules, and disseminating information to clients and user groups.

* Management efficiency by creating venues for monitoring progress, revising plans, resolving conflicts, renegotiating agreements, and sustaining new behaviors among participants.

Transfer of strategic management capacity is more effective when a participatory approach and facilitative TA are used to determine capacity-building targets and assistance. Policy implementation improves not simply when ownership is generated for the reforms themselves, but also when ownership is fostered for measures to improve implementation capacity. This means starting TA from where country counterparts see problems and needs, deciding together where capacity gaps lie, and demonstrating to them the applicability of strategic management concepts and techniques by doing rather than telling.

4. By Focusing Attention on Critical Factors in the External Setting

Success with developing ownership for reforms and applying strategic management approaches is influenced by the extent to which decision-makers and implementors: a) are open to strategic alternatives based on merit rather than purely political considerations; b) are willing to consider options that will alter, and in many cases reduce, their sphere of operations and authority; and c) have sufficient time to explore options and engage in planning before making decisions. In several situations, IPC teams have found that their counterparts were subject to pressures that sharply reduced their ability and/or willingness to either take on reform tasks or employ strategic management techniques and tools. For example, in the case of privatizing Mozambique's Railways, the political pressures to maintain public sector jobs at a time when large numbers of demobilized soldiers were entering the labor force were sufficiently strong that no-one in the government was willing to seriously pursue privatization beyond the discussion stage.

Supportive incentives remain the sine qua non of policy reform and implementation. In the policy setting where no-one is "in charge," a central task of implementors is to identify the incentives that motivate people as a basis for negotiation and influence strategies to obtain cooperation and support. In the public sector, important incentives derive from agency and civil service practices and procedures (e.g., salaries, perks, promotions, supervision) and from bureaucratic politics (e.g., turf, vested interests, hierarchy, coordination arrangements).

How Can Outside Assistance Most Effectively Help Country Partners to Manage Policy Changes Strategically?

The final set of IPC lessons relates to the overarching concern that assistance providers and recipients wrestle with, namely: how can outside resources, both technical assistance and financial, most effectively combine with indigenous resources to develop effective capacity for strategic policy change management? Five lessons emerge here in answer to this question.

1. By Increasing Ownership and Participation

Unless someone or some group in the country where policy reform is being pursued feels that the changes are something that they want to see happen, and are willing to contribute to realizing, externally initiated change efforts, whether at the local or national level, are likely to fail. This is a precondition for sustainable reform; otherwise the capacities that are developed or strengthened will either wither from lack of support, or migrate to where they are appreciated and applied.

Identifying and supporting policy champions who feel ownership for change is only a first step. Without expanding participation and constituency building, the reform will fall short. While IPC assistance cannot invent champions where they do not exist, a strength of the strategic management approach is providing the framework and the techniques to engage people in the change process and help develop plans for the long haul of implementation once a champion is in place.

2. By Establishing an Effective Counterpart Relationship From the Start

The "right" client for policy implementation assistance may not be apparent at the outset. A key feature of policy implementation is that responsibility and authority for making changes are dispersed across a network of entities. The mix of implementation roles among members of the network tends to evolve once implementation begins, and can look quite different from what may have been envisioned at the policy formulation stage.

Because many host country officials perceive strong technical and sector skills to be most important, it may be necessary to highlight technical competence before moving to establish the value of process-oriented, facilitative TA. Process TA can be effective, but technical competence gets the foot in the door. Three approaches have worked for IPC. First, TA teams have been composed to include both recognized technical experts in the policy or operational areas to be addressed and specialists with "softer" process skills. Second, on occasion IPC teams have begun their in-country work with some sort of technical assignment that generates a product and establishes their credentials as technical experts before turning to process intervention. Third, in other situations IPC teams have included members with significant previous experience and personal contacts in the country or region.

One effective entry strategy is a reconnaissance process where outside consultants, in collaboration with the initial set of counterparts, conduct relatively open ended assessments of various views regarding the reforms to be undertaken, who should be involved, and what and whose capacities need to be strengthened. This assessment then feeds into a mutual understanding of, and agreement on, a change process. This includes addressing the roles of the external TA team members and of various host country actors.

3. By Building in Flexibility

More successful reform interventions respond to what host country counterparts think is most important, move at their pace, and accommodate their changes in direction and emphasis.

Responsive and facilitative assistance allows for entering the strategic management process framework at any of the different steps in the cycle. It is not obligatory to start with the first step. This flexibility has been an important feature of IPC TA's commitment to begin collaboration where the host country people and USAID Mission staff feel they are, not where a preconceived methodology says they should be.

Flexibility needs to be balanced with control and structure; the choice is not either-or, but one within the other, IPC's facilitative process approach to capacity-building, with its iterative cycles of planning, action, and reflection, demonstrates how purposive direction can be maintained along with flexible response to changing conditions and stakeholder needs. For

example in the West Africa Enterprise Network, national networks developed annual strategic plans, which they revised several times during the year to accommodate shifting circumstances as well as achievements.

A flexible orientation allows for withdrawal of assistance as well. If a champion cannot be identified or located, if the strategic management approach and its process techniques are not perceived as relevant or useful, if negative conditions appear to be immovable, then IPC's experience suggests that pulling out is often the avenue to pursue. Donor and country resources are too scarce to waste.

4. By Paying Attention to the External Environment

Some assessment of the external conditions and constraints surrounding policy managers needs to be conducted to determine the potential feasibility of pursuing capacity-building objectives in light of the situation. Without a minimum set of facilitative conditions either in place at the start or built relatively quickly in an intervention's initial phase, the probability of successful change is low. These facilitative conditions include: perception of a problem needing to be solved, sufficient concern among decision-makers to do something about it, willingness and ability to allocate resources to problem solution, openness to learning about problem-solving alternatives, and concerted attention to the problem over time.

The external environment shows up in two critical areas. First, it influences a range of behavioral incentives; e.g., incentives that: a) influence stakeholder willingness to participate and "own" the policy change, b) encourage or discourage NGOs and civil society to play a role in the policy process, c) prompt a decentralized response by government, and/or d) impel or impede implementors from adopting of management tools and techniques. Second, it conditions the degree and predictability of change. Flexibility is required to cope with uncertainty and dynamism, at a minimum to simply identify and understand their sources and patterns, and subsequently to devise ways to adapt and modify.

The more capacity-building extends beyond addressing relatively circumscribed performance gaps, the more success is dependent upon factors external to the capacity-building. This means that the more ambitious and far-reaching the policy reform, the harder it is to orchestrate all the factors needed to move implementation forward to successful completion because many of these are outside the control of implementors and capacity-builders.

5. By Fostering Sustainability

Building ownership, fostering inclusiveness and participation, using flexible and client responsive approaches, and understanding the impact and influence of the external setting are all related to sustainable development outcomes, that is, ongoing flows of benefits that are valued and supported by key constituencies. Many people are aware of one or the other of these as they approach implementing reforms. The power of the strategic management approach is in the synergy that comes from combining all of these elements. For example, taking simultaneously a short-term and a long-haul perspective on change targets helps to achieve sustainable results better than a focus on one or the other. We have found that the strategic management process is greater than the sum of its parts.

Managing reforms in ways that promote democratic governance calls for working with groups outside of government to increase their capacity to influence the policy process. This demand-led approach recognizes the importance of empowering stakeholders to make their views known, in ways that satisfy demands for voice and that encourage transparency and accountability. A demand-building focus complements working with government to stimulate and support the supply response.

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IPC has produced an extensive set of publications, including the following series: Technical Notes, Research Notes, Working Papers, Case Studies, and Monographs. In addition, several IPC products have been published in professional journals and newsletters, and book chapters. All of these provide further detail on IPC field assistance activities and lessons learned. The following is a selected list directly related to the summary of lessons learned presented in this note.

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