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ENHANCING CAPACITY FOR STRATEGIC MANAGEMENT OF POLICY IMPLEMENTATION IN DEVELOPING COUNTRIES

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This paper examines the experience of the Implementing Policy Change Project (IPC), a capacity-building effort, funded by the U.S. Agency for International Development (USAID), that has assisted developing country managers to use the concepts and tools of strategic management to implement policy reforms more effectively. IPC has worked with governments, the private sector, and nongovernmental organizations in more than two dozen countries worldwide on various aspects of policy management.[1] The paper reviews several of IPC's technical cooperation interventions, draws lessons for successful capacity-building and for the transfer of strategic management approaches and tools to public sector agencies, and highlights critical issues for capacity-building.

I. <u>MANAGING POLICY CHANGE</u>

The importance of appropriate policies to creating a conducive environment for socio-economic development is clearly recognized, both by international donor agencies and by decision-makers in developing countries. Significant time, energy, and resources have gone to identifying the shortcomings of past policy regimes, analyzing the cause and effect linkages relating to past failures and future desired outcomes, and devising new and/or revised policy packages. Receiving less attention, however, has been how to make the shift from existing policies to new and improved ones. Moving policy changes forward pushes up against the interests of key societal groups in maintaining things as they are, and often asks public officials to take steps down paths they are reluctant to tread. Policy change, far from being some sort of process that proceeds automatically once initiated, is something that needs to be actively and conscientiously managed for intended results to be achieved.

A. THE POLICY REFORM CHALLENGE IN DEVELOPING COUNTRIES

Many developing countries are entering a second round of policy reforms that are characterized by incremental, long-haul adjustments rather than the dramatic, stroke-of-the-pen measures taken in the first round to deal with economic crisis and/or democratic transition (Haggard and Kaufman, 1994). Policymakers and public managers face the challenge of sustaining reforms beyond the launch phase so that those policy changes, whose benefits rarely appear in the short-term, can bear fruit. From an implementation perspective, the complexities of this second round are a quantum leap beyond those of the first, where in many cases policies were designed and put in place by an elite team of technocrats who concentrated on the technical aspects of policy prescription, insulated from politics-as-usual and standard bureaucratic procedures. Long-haul reforms, however, extend beyond the narrowly economic and technical to include social, political, cultural, and organizational dimensions, which interact in complex and incompletely predictable ways. Public managers charged with responsibility for implementing policy reforms face changes in their roles, severe institutional constraints, new interaction patterns with other public agencies and civil society, and pressures for showing results. Yet they often lack the capacity for dealing with these challenges.

The policy reform process is at least as political as technical, and is multi-directional and highly interactive. Besides technical analysis and prescription, it calls for consensus-building, participation of key stakeholders, compromise, contingency planning, and flexibility (see Nelson, 1994). Instead of identifying ideal solutions a priori, policy implementors need to iteratively develop "second- or third-best" answers that stakeholders can agree on over the life of the reform. When problems are encountered, addressing them calls for shared analysis and joint action, both inside and outside of government, and for building strategic planning and management capacity along with technical skills. In the democratizing political environment of many developing countries, governments have limited ability to impose reforms without paying attention to building credibility, consensus, and support. The broad demand for transparency and accountability curbs tendencies to revert to autocratic and closed-circle decisionmaking.

B. KEY CAPACITIES FOR MANAGING REFORM

Three types of capacities are important to enable policy implementors and their agencies to deal with the challenges of policy reform. These three can be thought of in terms of a conceptual "shorthand" as capacity to: 1) look outward, 2) look inward, and 3) look ahead (Brinkerhoff, 1991 and 1992).

1. Looking Out

The tendency of public agencies in developing countries to concentrate on the pursuit of day-to-day bureaucratic routines to the exclusion of being proactive or attentive to performance is well recognized. Public managers need to build capacity to extend their focus beyond the boundaries of their individual agencies. This means becoming more aware of who and what is "out there," and figuring out how to respond appropriately. In essence, this calls for capacity in strategic planning and management (see Crosby, 1991). It includes the ability to identify key stakeholders, create opportunities for participation, forge partnerships with the private and voluntary sectors, set feasible objectives, and build constituencies for change.

2. Looking in

Efficient internal structures, systems, and procedures, though often treated as prosaic, are nonetheless important. Critical to this kind of capacity are efficient and effective ways to design and implement programs; to set up and manage organizations; to hire, train, and motivate personnel; and to allocate, monitor, and account for financial and other resources. Without achieving some minimal level of operational efficiency, it is difficult for agencies to think or act strategically (Kiggundu, 1989). This capacity category has been the traditional target of administrative reform efforts, such as those the World Bank promotes as part of structural adjustment in developing countries, or the projects the UNDP supports through its Management Development Program (see Brinkerhoff, 1994a).

3. Looking Ahead

The third capacity relates to melding strategy, structure, and resources over time to achieve policy goals. It includes attention to sustainability, which implies the capacity to be anticipatory and proactive, not just responsive and reactive (see Brinkerhoff and Goldsmith, 1990). Dealing with what is critical today is not enough. Public managers and agencies must be capable of identifying and preparing for what will be critical tomorrow and the next day as well. This includes operational capacity in evaluation, monitoring, and research; but extends beyond to those more intangible capabilities, such as leadership, agenda-setting, and visioning (e.g., Wheatley, 1992). In an uncertain and complex world the capacity to keep an eye on the long-term while managing the short-term "bottom line" (whether financial, bureaucratic, or political) is a key, though rare skill.

II. THE NATURE OF STRATEGIC MANAGEMENT

IPC draws upon a set of management concepts and tools associated with that portion of the field of organizational analysis and practice referred to as strategic management (see Snow, 1986; Schendel and Cool, 1988). Strategic management's roots are in U.S. business administration. The subfield developed as a means to assist private sector managers and tends to see organizations from the top downward, from the manager's point of view. Its main teachings are four. First, look to the future. Know what markets you are in and want to be in. Second, pay ongoing attention to external factors— technological, economic, political, and social-— that affect the organization's ability to get where it wants to go. Third, establish and keep a match among those external factors and internal organization variables—its finances, employees, special skills, and so on. Creating this fit entails involvement of the organization's stakeholders— influential groups and individuals inside and outside an organization who can affect its actions in significant ways. Fourth, strategic management is iterative. It is not something that can be done at the front end of an operation and then dropped; it entails feedback and learning.

A. ORIGINS OF STRATEGIC PLANNING AND MANAGEMENT

As a self-identified area of inquiry, strategic management is young. The first major conference devoted to the subject was held in 1977 at the University of Pittsburgh, and the first journals on the topic began three years later. Strategic management grew out of both teaching and research in business administration. On the teaching side, the roots were the advanced business policy and management classes that by the 1960s most business schools required as the culmination of the curriculum. These courses directed students' attention to the “big picture,” and tried to break down the conventional boundaries among administrative functions (marketing, finance, personnel, and so on). On the research side, the area had its genesis in the finding of business case studies in the 1950s and 1960s that companies in the same industry could succeed following different approaches, while other companies that followed approaches similar to each other were not equally successful (Hammermesh, 1990: 292). Orthodox economic theory could not explain these anomalies; corporate strategy could. For example, several companies might do well in one line of trade by strategies of pursuing different market niches. Other companies might fail with similar strategies because the strategies did not match the unique assets and talents these other firms brought to bear. Andrews (1971: 28) defines corporate strategy as: "the pattern of major objectives, purposes, or goals and essential policies and plans for achieving these goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be."

Strategy has four important aspects. First, it is forward-looking and instrumental. It combines the ends for which the organization is striving and the means (tactics) of getting there. Second, strategy is cross-cutting and holistic. It affects the health of the entire organization and involves all the organization's parts. Third, strategy entails the deployment of large amounts of resources and thus is not something to be taken lightly. There may be no turning back once a strategic decision has been made. Last, is the assumption that good strategy leads to above par performance, poor strategy to the opposite. Success is the result of positioning, of fitting the organization in proper relation to external factors. Thus, the chances of success can be improved by making accurate and realistic assessments of the firm's position and the opportunities open to it. These assessments became the "bread and butter" of corporate strategic planning departments.

However, strategic planning alone had mixed results. Leading critics questioned its top-down posture and the emphasis on analytic forecasting techniques (Mintzberg, 1994). Studies of planning and performance in corporations found no systematic relationship (Pearce et al., 1987; Powell, 1992). The inconsistent conclusions of these studies may be due mostly to the use of different methods of research and analysis (Miller and Cardinal, 1994), but they are broadly consistent on the weaknesses of overemphasizing planning. This finding parallels analysis of development planning in the Third World (see, for example, Brinkerhoff and Ingle, 1989; Caiden and Wildavsky, 1974).

Today, most observers acknowledge that managing strategy not just a matter of plotting actions in advance. Isolated planning leads to such classic problems as "paralysis by analysis" and "death in the drawer," as firms fail to convert plans into profits (Ansoff and Sullivan, 1993: 174). To be more than a paper exercise, the long-term course of an organization cannot be left to a planning unit alone. The plans must percolate through the whole organization. They have to be drawn so they can be enacted, which means among other things getting most stakeholders' approval of the proposed method of proceeding.

Strategic management tries to answer the problem of hollow plans. Rather than being preoccupied with analysis of the firm and its environment and the formulation of strategies, the field now features implementation and evaluation as critical components of organization success. These are the action and assessment phases of the strategic management process. In flagging the importance of implementation, strategic management moved away from a command-and-control model of strategy making, and called attention to the political side of running organizations (Benveniste, 1989).

To understand how to prepare for a sustainable advantage, strategy scholars borrow from many fields. One source of important ideas is the industrial organization branch of microeconomics, which emphasizes the effects of industry structure on firms. Also institutional economics, with notions like the path dependency of organizations and the influence of paradigms on decision-making, contributes useful observations (Teece, 1990). Organization contingency theory, and its discovery that there are many ways to organize successfully that depend on an organization's task and environment, is another base of insight (Lawrence and Lorsch, 1967; Thompson, 1967). From within management studies, finance and marketing provide many ideas. Strategic management theorists have pulled parts of these other fields under one rubric to guide managers as they look for an edge over the competition.

Strategic management, to sum up, is a broad activity that encompasses mapping out strategy, putting strategy into action, and modifying strategy or its implementation to ensure that the desired outcomes are reached. There is a focus on what the organization is good at and what competitors are doing. A well-formulated strategy, to quote James Brian Quinn (1980: 7), is one that "helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents." Strategic management techniques are not a panacea for organization problems, but they can bring managers toward clearer analysis and more consistent action.

B. PUBLIC SECTOR AND INTERNATIONAL DEVELOPMENT APPLICATIONS OF STRATEGIC MANAGEMENT

During the 1980s and 90s, strategic management applications spread beyond the for-profit firms where the concepts originated. Today it is the conventional wisdom that the word "organization" can be substituted for "corporate" in Andrews' definition cited above, and the notion of strategy can be applied to any formal human collectivity. The General Accounting Office (1990: 1), for example, observes that strategic management principles "are applicable to any federal department or agency," and that they enhance "capacity to be responsive to a dynamic environment, proactively manage change, and avoid crisis management." Many federal and state agencies have taken up strategic management tools (Wechsler and Backoff, 1986; Berry, 1994; Berry and Wechsler, 1995). Several textbooks show how to apply these methods to the public sector (Bryson, 1988; Koteen, 1991; Nutt and Backoff, 1992).

The hypothesis behind the application of strategy to government is that organizations are more alike than they are different (Bozeman, 1987). To be sure, public agencies have some distinctive features. Unlike most businesses, they seldom face market competition, rarely sell their services, have little autonomy in personnel matters, cannot usually decide on their own to enter new markets, and are not dependent on making a profit. Government agencies are apt to have fuzzier missions than their private sector cousins, and are thus more ambiguous to evaluate (Ring and Perry, 1985; Skok, 1989).

But organizational strategy is a common feature that cuts across all sectors. Every formal organization is a goal-seeking unit, set up with particular objectives and adhering to certain procedures (Goldsmith, 1994). Most of them have clients to serve, resources to mobilize, costs to keep under control. To the extent strategy is everpresent in organizations, strategic management can be relevant anywhere. While some ways of proceeding in the commercial sector will not fit government agencies, many strategic management techniques can be adjusted for use there. The methods of strategic management can, with modifications, be applied to almost any type of organized human endeavor, not just the large-scale, for-profit sector where strategic management started. Strategic management thus has spread to new sectors and locations, and to programs and projects that embrace several organizations.

International development administration is a natural application for strategic management. Budget shortfalls and "aid fatigue" of voters and elected officials are making the environment more hostile for foreign assistance agencies everywhere. Strategic management concepts— with their emphasis on action, on the consideration of broad, diverse set of interested parties, and on paying attention to external threats and weaknesses— are a way to cope with these challenges. Thus the General Accounting Office (1992) has urged USAID to adopt strategic management. Similar efforts are underway at foreign assistance agencies in Canada, Germany, and Britain (GAO, 1995).

Strategic management also has been taken up as a way to strengthen organizations in developing countries (Paul, 1983; Kiggundu, 1989; Ozgediz, 1990; White, 1990; Brinkerhoff, 1991; Blunt and Jones, 1992). Adapting to the environment and learning from experience hold promise for public sector managers in Africa, Asia, and Latin America, who often have a custodial, civil service orientation. For public agencies in particular, the spread of democracy means new demands from citizens to be more open, responsive, and accountable. Strategic management is a way of making developing country public managers more sensitive to their clientele and more effective in operating according to the principles of democratic governance.

Strategic management may not be as effective in other locales as in the United States, but that need not mean that strategic management techniques contain cultural bias. Turbulent socioeconomic climates and resource scarcities make it harder for organizations to stick to their game plans than is true in industrialized countries. Rather than discrediting the strategic management approach, however, such uncertainties increase the need in the developing areas to try to monitor and adjust to external changes. Yet, this is just what is apt *not* to happen. Reflecting oldfashioned, inward-looking philosophies of management, developing country managers are likely to shun a strategic approach to their problems while multiplying efforts to maintain their authority on the inside (Kiggundu, 1989). This can be a formula for bankruptcy when the environment is in a state of flux, especially if internal resources are drying up simultaneously.

Strategic management also can be applied to development projects and programs whose implementation requires several organizations or their subunits (White, 1990; Brinkerhoff, 1991; Paul, 1983; Gage and Mandell, 1990; Bernhardt, 1992). When profit-seeking companies try so-called strategic alliances they must develop plans for how to cooperate with each other and carry out joint activities. The same thing is true for intergovernmental relations.

If a government agency agrees to a major reform in public policy, it usually needs the help of other agencies to carry out the reform. The inability to get such help is one reason, to cite an example, that liberalization has fallen short in many developing countries. A ministry of finance or central bank may genuinely want, say, to cut subsidies and make state-owned companies obey the laws of the market. Seldom can these agencies impose their will unilaterally, and liberalization is liable to be stalled or blocked by the state-owned companies, who see greater advantage in having things stay the same. Strategic management, which offers ways to frame plans that so they meet wide approval, or at least face low opposition, thus can be brought to bear on policy change implementation.

C. A PROCESS MODEL OF STRATEGIC MANAGEMENT

To develop and fine tune organizational gameplans, strategic management proposes many methods (Goldsmith, 1995). The starting point for IPC's approach is the set of tasks associated with "lookingout." IPC's application of strategic management to policy change centers around a process framework for policy implementors that consists of a multi-step cycle (see White, 1990; Crosby, 1991; cf., Nutt and Backoff, 1992).[2] The steps of the strategic management cycle are:

1. Agreeing on a strategic process for developing a policy implementation strategy.
2. Identification and clarification of agency mission, policy content and objectives, and current operating strategies.
3. Identification of agency internal strengths and weaknesses.
4. Mapping the external policy setting, including analysis of political and operating environments.
5. Identification of key stakeholders and their expectations.
6. Identifying key strategic issues.
7. Designing an implementation strategy.
8. Implementation of the strategy.
9. Designing and applying a process to monitor progress and make ongoing adjustments.

This cycle blends attention to management process with analytic content and action plans. The initial step consists of the classic entry tasks for organizational process consultation: negotiating what is to be done, examining how it will be done, clarifying expectations and roles, and reaching consensus. The subsequent steps introduce information gathering and analysis, use of the data in designing strategies and plans, and data-based monitoring and management.

Associated with the framework 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 andproject management are: objectives specification, activity planning and scheduling, and management information systems. Table 1 presents these tools, along with a brief description of each.

Of the strategic management tools, IPC has used two of them most frequently as an introduction to thinking and acting strategically: stakeholder analysis and SWOT analysis.

Stakeholder analysis guides managers to ask and answer questions such as the following: Which stakeholders does the organization depend on for survival? Who among the stakeholders wins, who loses, from a given strategy? Who has been left out? Who can be left out without too much damage? Whatneeds to be done to ensure support of the critical groups? Of course, it has long been recognized in international development that participation of key players is critical for most activities to succeed (Uphoff et al., 1979). SWOT analysis involves auditing an organization for its strong and weak points, while concurrently looking for favorable and unfavorable circumstances outside the organization. These situational factors are listed and ranked. The idea is to find fits between abilities and opportunities while working around weaknesses and threats.

At the heart of IPC's technology transfer for capacity-building is the use of workshops (see Brinkerhoff, 1994b). Because they combine learning and application, workshops are appropriate mechanisms for introducing the strategic management tools, and thus serve an applied training purpose. Since most IPC field activities involve working in teams that combine external consultants with developing country personnel, workshops for team-building and action-planning have a key role to play at various points in the technical assistance process. For example, start-up workshops are routinely used in preparing consultant teams for country assignments and with in-country task groups as well.

Table 1. Strategic Management Tools

Tool	Symbol	Description
Activity planning and scheduling	APS	Elaboration of tactics and tasks needed to achieve strategic objectives, task component analysis, determination of milestones and targets, timing and duration estimation, resource allocation.
Advocacy/lobbying	AL	Efforts to influence decisionmakers to support policy positions through a variety of means: technical analysis, mobilization of support or opposition, bargaining, quid pro quo arrangements, etc.
Constituency mobilization	CM	Efforts to organize groups to recognize their interests, assess policy issues, build commitment to act communally, plan and carry out actions, exert political pressure, etc.
Forcefield Analysis	FA	Graphic illustration of groups in favor of and opposed to a policy.
Institutional mapping	IM	Identification and analysis of an organization's structure, lines of authority, mandate(s), decision-making processes, links among different units, relations with its external environment and with other organizations involved in policy/program implementation.
Management Information System	MIS	An integrated system of data collection, analysis, and reporting designed to provide managers with feedback on the results of policy/program implementation to permit progress monitoring and adaptation to changes. In the strategic management context, MIS includes data on stakeholder interests and reactions.
Mission clarification	MC	Review, analysis, and reconfirmation of organizational mandates, purposes, and vision. Commitment building among staff to fulfill organizational responsibilities and achieve desired future state.
Objectives specification	OS	Identification of goals and targets, analysis of the causal linkages among them, elaboration of objectives hierarchy.
Political mapping	PM	Graphic display of sources and degrees of political support and opposition regarding government support of an issue and/or policy, arrayed by category of actor.
Priority setting	PS	Analysis of relative importance among sets of issues, policy objectives, program activities, etc. Determination of strategic priorities for action, identification of key tactical steps.
Stakeholder analysis	SA	Identification and analysis of actors in terms of their interest(s) in an

		issue or policy, and of the quantity and types of resources those actors can mobilize to influence policy outcomes.
Strengths, weaknesses, opportunities, and threats assessment	SWOT	Identification of agency internal capacities and constraints in relation to external features of the operating environment classified in terms of factors either facilitating or impeding the achievement of agency mission, policy outcomes, etc.
Values clarification	VC	Analysis of and/or efforts to modify an individual's attitudes, norms, and values relative to a particular issue, policy, or practice.

Workshops are also used to advance the policy reform process itself. Workshops can serve as the process venue for each of the steps in the strategic management cycle to bring together the appropriate people who need to be involved, undertake the tasks required at the particular step, gain understanding of the outputs to be produced, and agree upon what needs to be done next. Given the nature of the tasks in the strategic management cycle, participation of a variety of groups increases the quality of the outputs and the likelihood that those outputs will be "owned" and supported by those involved. Workshops are ideal settings for achieving these outcomes.

III. TRANSFERRING STRATEGIC MANAGEMENT TECHNIQUES AND TOOLS

IPC's objective is to improve policy implementation performance by helping public managers and other stakeholders to use the strategic management process approach outlined above in support of policy change. By targeting managerial and organizational behavior, this objective places IPC within the capacity-building category of international development intervention.

A. CAPACITY AND CAPACITY-BUILDING: DEFINITIONS AND APPROACHES

Notions of capacity and capacity-building, like much international development terminology, encompass a wide variety of definitions and perspectives. At the narrow end of the spectrum, capacity is conceived of as what individuals are able to do, and thus capacity-building refers to education and training in particular skills. In its broadest conception, capacity is treated as synonymous with development at the national level, and capacity-building refers to any and all efforts targeted toward promoting socioeconomic advancement. Between these two poles lies a middle range of perspectives that focus upon organizations/institutions and the people who function within them.

1. Definitions and Concepts

The current concern with capacity-building is in a sense the latest iteration of a stream of analytic and applied work on institutional and management issues in international development (Morgan, 1994). From the early institution-building days of the 1960s and 70s, when the problems and their solutions appeared simpler and more clearcut, thinking about organizational and management capacity has evolved toward a point of view characterized by complexity, contingency, and continuousness (Brinkerhoff, 1986; Rondinelli, 1987; Brinkerhoff and Goldsmith, 1990). Complexity reflects the understanding thatorganizations are embedded in intricate, overlapping environments composed of sociotechnical, political, bureaucratic, economic, and cultural factors that interact in only partially predictable ways to influence how organizations and their people behave. The contingency viewpoint notes that the "what" and "how" of capacity-building will vary depending upon the particular situation. Thus, no single approach will be appropriate for all cases, and the specifics of building capacity cannot be totally determined in advance. The continuous character of capacity-building highlights the fact that capacity is not some sort of endstate, but includes ongoing process and sustainability dimensions.

The UNDP's definition is representative of today's approach to thinking about capacity. It emphasizes human resources as central to capacity, but confirms the importance of context and process. According to the UNDP, capacity is:

> the ability of individuals and organizations or organizational units to perform functions effectively, efficiently, and sustainably.
> This definition has three important aspects:

> first, it indicates that capacity is not a passive state but is part of a continuing process; secondly, it ensures that human resources and the way in which they are utilized are central to capacity development; and thirdly, it requires that the overall context within which organizations undertake their functions will also be a key consideration in strategies for development (UNDP, 1994: 2).

Within the complex environment that this conception of capacity stresses as a key feature, what, then, does capacity-building for an individual organization entail? Berg (1993: 62) suggests three main activities: "skill upgrading, both general and job-specific; procedural improvements; and organizational strengthening." IPC capacity-building interventions have included activities in each of these three categories, however, project experience leads to the conclusion that, in and of themselves, they are not sufficient. Context needs to be more centrally addressed, in particular, by paying attention to incentives for change, both for individuals and for agencies; to procedural modifications that increase awareness of, and responsiveness to, external conditions; and to interorganizational strengthening. For example, IPC teams have provided training seminars for senior decisionmakers on techniques for strategic management and workshops for mid-level staff on tools for conducting stakeholder analysis and political mapping of policy environments. Project consultants have helped develop new procedures and processes for interagency taskforces, as well as for planning and management systems in individual agencies. In several countries, IPC staff have undertaken joint diagnoses with national officials of implementation constraints, and helped staff in the agencies with implementation responsibility to devise and carry out interorganizational programs to address the weaknesses and problems identified.

2. Capacity-Building and Technical Assistance

Significant amounts of foreign assistance budgets are devoted to projects and programs carried out under the capacity-building rubric. Much of this effort is devoted to the training of individuals. In USAID, for example, each country Mission manages a participant training program that selects country nationals for a variety of training opportunities in the US and third countries, ranging from short courses to university degrees. The World Bank's Economic Development Institute provides a broad curriculum of courses and seminars for developing country personnel, most of whom work on Bank-funded projects in their home countries. In keeping with the conception of capacity as embedded in organizations, however, capacity-building efforts target more than skills development for individuals. Assistance modalities include various combinations of the following: studies, research, and policy analysis; short-term technical assistance (TA); long-term, resident TA; short-term, organization-based training; long-term, overseas training; provision of equipment and supplies; and/or agency budget support. Donor agencies blend these modalities into more or less standard packages that are either components of larger infrastructure projects or TA projects linked to structural adjustment programs, in the case of the multilaterals (see Brinkerhoff, 1994a); or constitute institutional development projects where capacity-building is the primary objective (see Rondinelli, 1989).

Whatever the exact configuration of capacity-building or institutional development packages, almost all contain some form of TA, whether short- or long-term. In fact, the use of outside experts is one of the defining features of international aid. How and whether expatriate TA contributes to capacity-building has been an enduring topic of discussion and debate among international assistance providers, recipients, and analysts. A central criticism raised is the tendency of TA to bypass developing country capacity weaknesses rather than contribute to alleviating them, most often by filling in expertise gaps with outsiders to address immediate needs in the short-term (e.g., Honadle et al., 1983; Berg, 1993). Over the past decade or so, donor agencies— facing increased pressure for accountability and demonstrable results— have undertaken reviews of the utilization and effectiveness of TA (see, for example, Baser, 1994; Berg, 1993; Brinkerhoff, 1990; Bossuyt et al., 1992; Buyck, 1991; Lethem and Cooper, 1983; Silverman, 1984; UNDP, 1994). Most recently, the multidonor OECD's Development Assistance Committee, through a series of informal network meetings and more formal subcommittee sessions, has been working to develop guidelines for TA and capacity-building (see, for example, DAC, 1992 and 1994). A general consensus has formed around the need to: achieve a better match between TA roles and capacity requirements; develop better standards and procedures for TA selection, use, and accountability; include recipient countries as partners in selecting, using, and evaluating TA; coordinate TA provision among the members of the donor community; and link TA more closely to sustainability considerations.

B. TECHNICAL ASSISTANCE ROLES AND CAPACITY-BUILDING

Of particular importance to the utilization and effectiveness of expatriate TA is the match between roles and objectives. There are four basic roles for TA (cf., Gow, 1991; Silverman, 1984):

1. Technical Assistance as Doer

In this role, TA personnel in long-term positions perform as line staff in an organization that does not have enough qualified people of its own to function; they fill in by doing the day-to-day work of the agency until sufficient national staff are trained to take over from them. This is also referred to as the "opex" model (operational expert). Although often criticized as inappropriate for capacity-building because of its focus on performance substitutes and gap-filling, this TA role can be effectively used as part of a long-term human resources development strategy. Botswana is frequently cited as a country that has made good use of opex TA.

2. Technical Assistance as Expert Advisor

In this role, TA still serves a substitution function, filling in for expertise not readily available, but does not occupy a line position with day-to-day operational responsibilities. Rather, the advisor offers analysis and advice to agency decision-makers and managers regarding particular technical problems, policies, issues, and so on. However, the expert advisor has little or no responsibility for assisting the agency to act upon his/her findings or recommendations. TA in this role is usually short-term, but can be long-term resident in some situations. This TA role leans heavily toward assisting with immediate performance problems rather than capacity-building. It is often appropriate for rare and complex technical areas of expertise.

3. Technical Assistance as Coach/Trainer

This role incorporates the expert advisor function and adds explicit responsibility for helping agency staff both to apply the advice given and to become more skilled in undertaking problem diagnosis and analysis for themselves. TA personnel operate as coaches, providing leadership and guidance in putting together "game plans" and carrying them out. Where the agency team appears weak, TA personnel provide or arrange for training to develop their skills. In this role, TA has a direct link to capacity-building rather than focusing most immediately on performance improvement in the short-run. Coach/trainer TA shares with the two previous TA categories an assumption that knowledge/technology transfer is predominantly unidirectional, from the source of external expertise to those in the country who lack and need that expertise. TA in this role can be either short- or long-term.

4. Technical Assistance as Facilitator/Partner

The differences between this type of TA and the others are twofold. First, TA in this role sees knowledge/technology transfer as a two-way street; the external TA personnel combine their knowledge and skills with those of in-country staff to develop mutual understanding of problems and joint solutions in a partnership operating mode. Both parties bring their respective expertise to bear. Second, TA personnel focus not just on the substance of problem analysis and solution, but on the process as well; they assist the agency they work with to develop a way of addressing how problems are analyzed and addressed. Frequently they resist immediately offering an expert solution in favor of helping agency staff to discover what works for them iteratively over time. This role fits closely with the current thinking on donor agency and recipient country cooperation for capacity-building (Bossuyt and Laporte, 1994). Facilitator/partner TA can also be either short- or long-term, though there is a preference for short-term, periodic assistance as opposed to resident advisors, largely for cost reasons (see Berg, 1993).

C. IPC AND TECHNICAL ASSISTANCE

IPC's orientation to TA falls within the facilitator/partner role. In seeking to transfer strategic management approaches to developing country policy implementors, IPC TA personnel focus strongly on helping to devise a workable process that will allow implementors to apply the concepts and tools of strategic management to the policy reforms they are responsible for. This process focus is reinforced by the fact that the management techniques being transferred are themselves process tools intended to modify the way implementors plan actions, make decisions, and interact with stakeholders.

1. Doing With, Not Doing For

IPC's TA adapts and applies process consultation and action research, two approaches to helping managers and their organizations become more effective, to the international assistance arena. Process consultation is a way of intervening in an organization where the external consultant assists organization members to review their problem-solving behaviors and procedures to identify sources of blockage, misalignment, dysfunction, and/or success, with a major emphasis on how things are done rather than on the "what" (see Schein, 1987). Once these issues are clarified, the consultant works with members to decide how to modify the unproductive behaviors and procedures, and/or to build and expand on those that already work well; and then helps them to make the transition to new, more effective ones. Throughout the intervention, the onus for deciding what to do and making the necessary changes lies with the organization. The consultant facilitates the process and provides coaching along the way.

Action research incorporates process consultation, but adds a more in-depth and structured approach to the review and identification of organizational problems, and to the incorporation of that information into solution design and testing (Cunningham, 1993). The premise of action research is that organizational problems are solved more effectively when managers collect data on what is wrong (or right) and use these data as the basis for making changes, rather than relying on opinions, hunches, snap judgments, or prejudices. Further, the action research perspective systematizes data gathering, analysis, and use into iterative cycles of collection-reflection-action such that they become part of an organization's standard way of doing business.

Both of these organizational change approaches employ external assistance in the facilitator/coach mode. Consultants do not portray themselves as experts who arrive with the answers in hand, ready to apply them to the problem for the organization and its members. Rather, TA personnel come with a portfolio of analytic tools and a process for using them, ready to work with organization members to ask questions, collect and analyze answers, and develop solutions jointly.

2. IPC Operating Principles

IPC's facilitative approach of doing with, rather than doing for, is supported by a set of operating principles that inform how the project has undertaken capacity-building. These include:

a. Start where the client partner is. As noted above, TA in the facilitative role blends local knowledge and practice with external expertise to achieve joint problem-solving. In most cases, client partners have already undertaken some problem analysis prior to the arrival of external help, and may or may not have correctly assessed the sources of difficulty. To make this partnership work effectively requires that TA outsiders accept, at least initially, the client point of view on what the problem is even if they are not in agreement. Through the joint analysis that is part of the capacity-building activity, TA providers can introduce alternative perspectives on the problem and its solution. This principle validates the client partner as a responsible and competent actor in addressing policy implementation, and lays the groundwork for collaboration and learning.

b. Use multidisciplinary TA teams. Often policy implementation issues are perceived as largely technical, and therefore the client partner's first proposed solution is a technical one. Arriving with process-oriented TA can create credibility and acceptance difficulties when partners are expecting technical fixes. These problems can be mitigated by using TA teams that combine facilitative with technical/sectoral expertise. The technical experts demonstrate that the team knows something about the details of the policy issue, and thereby pave the way for the introduction of complementary process solutions. Further, this principle recognizes that it is often problematic to identify individual TA providers who have both the technical and process skills combined. Use of teams solves this problem.

c. Build ownership through participation. This principle appreciates the fact that involvement in problem diagnosis and solution design increases the likelihood of follow-through during implementation. Facilitative TA's participatory orientation enhances commitment to apply new capacities to policy reforms, as well as ownership for the intended outcomes of those reforms. This principle reinforces the importance of resisting the tendency to determine solutions in advance and of allowing those with a role in the policy implementation process to develop a situation-specific approach to what needs to be done.

IV. APPLYING STRATEGIC MANAGEMENT

As noted above, the nature of the policy reform process puts a premium on a set of capacities that many agencies and managers in developing countries lack or possess only to a very limited extent. IPC's TA interventions have targeted those capacities, using the simple model of management tasks and the process framework for strategic policy reform presented above. This section presents selected cases from IPC's field interventions with both public sector agencies and private sector groups in civil society.

A. CAPACITY-BUILDING IN PUBLIC AGENCIES

Over the past five years, IPC capacity-building interventions focusing on public agencies with policy implementation responsibilities have been undertaken in eight countries. Of these eight, five are in Africa, one in Asia, and two in the Latin America/Caribbean region. In terms of policy areas, four deal with macroeconomic policy, two focus on trade and export policy, and one each on agriculture and environmental policy. Table 2 summarizes the interventions, presenting their institutional targets, capacity-building objectives, the strategic management tools and techniques employed, and major capacity-building activities. The duration of the interventions has ranged from four weeks, in the cases of Madagascar and Lesotho, to two-three years, in the cases of Guinea-Bissau, Zambia, and The Philippines.

The two short assignments consisted of two-step interventions in which a team conducted a study whose results then fed into the preparation and delivery of action-training workshops. In Madagascar, the study focused on implementation experience with the National Environmental Action Plan (NEAP). Among the findings was the difficulty in coordinating interagency actions among the network of organizations involved in implementing the NEAP. Discussions with USAID and Malagasy environment sector officials led to a decision to offer a two-tiered skill-building workshop in strategic management tools, with one set of sessions for senior environment agency directors and another, more in-depth set for members of their staffs with NEAP responsibilities. In Lesotho, an IPC team conducted an evaluation of USAID's Agricultural Policy Support Program, which revealed management problems in meeting reform targets and in stakeholder participation. In response to the problems identified, an IPC consultant facilitated a series of short workshops that presented some basic strategic planning and management tools. Workshop participants then immediately applied these tools to address the problems and develop an action plan for the future.

The longer interventions conform relatively closely to the action research intervention mode outlined above. In most cases, IPC consultant teams began the field portion of capacity-building interventions with analysis of institutional and/or technical policy issues in tandem with their developing country clients to develop both a better grasp of those issues and a shared view. These joint analyses usually introduced a new tool, for example stakeholder analysis or political mapping. Thus the analytic task involved some degree of individual skills training for the local people who participated. The results of the analyses became input to developing the specifics of a plan to address the issues, usually using a workshop setting as the venue, thus bringing in a further skill-building dimension in most cases. The next step involved creating the organizational mechanisms for moving the plan forward to concrete actions. In some cases, e.g., Zambia, The Philippines, Honduras, and Jamaica, this meant creating and providing institutional development support to a new organizational entity. In others, the implementation structure was a temporary organization, such as interagency working groups in Guinea-Bissau, or task forces in a single agency, as in The Gambia's finance ministry.

Once an organizing structure for moving ahead is established, capacity-building revolves around assisting country personnel to make the structure operational through a combination of skills training and procedural improvements. As noted earlier, IPC consultants serve as coaches and facilitators, helping their counterparts to do what needs to be done, not doing it for them. As one USAID official put it, alluding to the analogy of the policy process as sausage-making, IPC's task has been to help "make the sausage machine, not make the sausage." A couple of specific country applications that provide a flavor of IPC's experience are presented below. Two contrasting interventions are summarized that illustrate both how IPC interventions unfold and how factors in the external environment have an effect. The first activity, from The Gambia, was a relatively straightforward intervention that targeted organizational strengthening in a single agency, where IPC tackled the finance ministry's "looking out" and "looking ahead" functions. Capacity-building was just beginning to move beyond the initial analytic and planning stages when a drastic change in the political setting interrupted the work. The second, from Guinea-Bissau, was a more complex endeavor, involving several different agencies, where both the intervention clients and activities changed significantly over the life of the intervention. In this case, capacity- building took place in a fluid and unpredictable environment, but because the intervention took a client-driven, targets-of-opportunity approach, the uncertainty and the changes did not derail IPC's activities.

Table 2. IPC Capacity-Building Interventions: Public Agency Focus

Policy Area	Country or Countries	Year(s)	Capacity-building Target(s)	Capacity-building Objectives	Tools Used	Capacity-building Activities
Trade and Investment Promotion	Guinea-Bissau	1992-1994	Ministries of Commerce and Industry, Justice, Rural Development and Agriculture	Develop cooperative mechanisms to support formulation and implementation of trade and investment policies, laws, and regulations.	APS, IM, MC, OS, PM, PS, SA, SWOT	Creation of interagency, public-private sector working groups; joint institutional analyses; training workshops, study tours, OJT; action-planning; in-country conferences.
Macroeconomic Reform	The Gambia	1993-1994	Ministry of Finance and Economic Affairs	Increase MFEA capacity to plan and manage economic policy implementation.	FA, IM, MC, PS, SA, SWOT	Joint organizational analysis and solution design; action-training workshops; creation of performance improvement task force.
Macroeconomic Reform	Zambia	1993-1995	Prime Minister's Cabinet Office	Increase GOZ efficiency in policy management, build Cabinet capacity to coordinate interministerial policy process.	APS, IM, MC, OS, PS, SA, SWOT	Facilitate creation of Policy Analysis and Coordination unit; training workshops, study tours, OJT; action-planning.
Export Promotion	The Philippines	1991-1994	Department of Finance, Bureau of Internal Revenue	Build GOP management systems to implement and track export promotion policies, set up an interagency tax credit and duty drawback center.	APS, FA, IM, MIS, MC,OS, PM, PS, SA, SWOT, VC	Joint analysis; MIS design and installation, manual development; econometric modelling; training workshops and study tours, OJT; conferences.
Macroeconomic Reform	Honduras	1994-1995	Ministry of Finance, Economic Cabinet	Increase Cabinet effectiveness in economic decision-making and policy management.	IM, MC, PM, PS, SA, SWOT	Support creation of Policy Analysis and Implementation Unit; joint economic policy analysis; workshops and OJT.
Macroeconomic and Fiscal Policy Reform	Jamaica	1992-1994	Ministry of Finance, Bank of Jamaica	Increase effectiveness of GOJ economic decision-making and policy management.	APS, IM, MC, OS, PM, PS, SA, SWOT	Joint analysis; support creation of Fiscal Policy Management Unit; action-planning; workshops and OJT.
Environmental Policy Reform	Madagascar	1994	Directors of Environmental Agencies and Projects	Increase senior environmental sector officials' skills in strategic management.	FA, IM, MC, OS, PM, SA,	Case study of environmental action plan implementation; training workshop.
Agricultural Policy Reform	Lesotho	1992	Ministry of Agriculture	Facilitate conflict resolution on implementation steps for agriculture sector reforms.	FA, IM, MC, PM, SA, SWOT	Evaluation study of reform progress; action-planning workshop.

1. Macroeconomic Policy Management in The Gambia

USAID/Banjul turned to IPC to assist the Ministry of Finance and Economic Affairs (MFEA) to improve its capacity to plan and manage The Gambia's economic policy framework in support of the government's fiscal, financial, and market reforms. The capacity-building intervention consisted of three steps: a) analysis, b) planning and action-training, c) implementation of the plan and follow-up support. The first step was a management audit of the MFEA. Three consultants spent two weeks helping the MFEA, through interviews and discussions, to analyze its organizational objectives, structure, strategy, human resource base, and operating environment; and laying the groundwork for the launching of a strategic planning process using the workshop methodology.

The second step centered around a strategic management retreat for the MFEA. During this stage, the MFEA established a steering committee to oversee the intervention and serve as the main contact point for the IPC consultants. A three-person IPC team worked with the steering committee and ministry leadership to customize the draft workshop design and facilitate the three-day event for the staff. The workshop brought MFEA personnel together to address four objectives: 1) introduce the basic concepts of strategic planning and management, 2) lay the foundation for strategic planning at the MFEA, 3) clarify the ministry's objectives and mission, and 4) analyze the organizational strengths of the MFEA and the challenges it faces. Meetings were held following the retreat for the MFEA taskforce to identify strategic options and develop an action plan for a performance improvement strategy.

The third step began as the taskforce assembled sub-task groups to follow through with components of the action plan. A schedule was prepared for return visits by the IPC team to support the work of the sub-task groups. However, unforeseen events intervened to shortcircuit the intervention. A group of disgruntled military personnel staged a coup and ousted the elected president and his government, derailing The Gambia's transition to democratic governance. At present the military coup leaders remain in power, and USAID has terminated assistance to the country.

2. Trade and Investment Promotion in Guinea-Bissau

Over a two-year period (1992-94) IPC consultants worked with Guinean counterparts on three policy reforms related to trade and investment promotion: judicial reform, liberalization of business regulation, and realignment of public and private sector roles in agriculture. Although USAID/Bissau initially tapped IPC to address administrative reform, the postponement of national elections led to a shift of focus to policy areas not dependent upon the installation of a new government. One constraint to increased trade and investment was the lack of a viable legal framework for private sector functioning. The IPC team began work on judicial and legal reforms to create an independent judiciary in response to enthusiastic expressions of interest from the Minister of Justice and the President of the Supreme Court. A judicial reform working group (JRWG) was set up and, with IPC assistance, began preparing an action plan. In support of the planning process, IPC consultants conducted several training workshops for JRWG members that illustrated how strategic management tools could be applied to judicial reform. The workshops stressed the need to build active support for reform to move ahead. While there was general, if vague, support for the separation of the judiciary from the executive branch of government, little progress in taking the necessary steps had been made. The JRWG needed to move from abstract notions of the links between democratization and judicial independence to concrete steps to make the changes happen.

The identification of these concrete steps helped in fleshing out the action plan, which contained a separate donor-financed training plan, with on-the-job training, study tours, and in-country seminars. The plan also elaborated components that provided support to the law school, funded repairs to the Supreme Court building, updated legal codes and developed additional legislation, and laid out a multi-year program of awareness- and capacity-building activities, such as public speeches, conferences, and seminars. Table 3 summarizes the agenda of the action plan, and notes what was accomplished.

Table 3. Guinea-Bissau Judicial Reform Action Plan and Results

Action Plan Agenda Item	Progress and Outcomes
Develop a supplemental training plan for donor funding.	Training plan developed during January and February 1993.
Modify the constitution to create separation of the executive from the judicial branches of government.	Constitutional modification completed in April 1993.
Draft supporting legislation to establish and regulate an independent judiciary.	Preparation of drafts for ten enabling acts by mid-1993, several were subsequently passed into law, including a provision for a new system of small claims courts.
Improve the physical infrastructure of the judicial system.	USAID/Bissau agreed to fund renovations of the Supreme Court building in 1993. Construction and repair work began in 1994. Follow-up renovations have been funded under an ongoing USAID project.
Improve the professional skills and knowledge of magistrates, other court and Ministry of Justice officials, and lawyers.	IPC training conducted for judges, MOJ officials, and law school professors through a combination of workshops, conferences, and study tours.
Establish the financial viability of the judicial system.	Council of Ministers passed a law in May 1994 establishing a separate budget category for the judicial system.
Address issues of compatibility between formal and traditional law.	The new small claims court law provides for two local, customary law advisors to hear cases along with the official magistrate.
Improve the design, application, and adjudication of laws and regulations in the executive branch.	This activity was taken on by the working group established in the Ministry of Commerce and Industry.
Provide specific training in priority areas (e.g., commercial law).	Courses on specialized topics were included in IPC's training activities, and additional training is included in USAID/Bissau's Trade and Investment Program Support (TIPS).
Increase private sector participation in judicial reform, and increase judiciary/private sector communication.	Private sector representatives participated in all conferences, and private attorneys were included in the training workshops and study tours.
Update legal codes and statutes.	Partial updating was achieved through the new enabling legislation; copies of legal codes from the Lisbon School of Law were obtained and reproduced for broad distribution to courts, the lawyers' association, and the Order of Magistrates.

Key to the success of the intervention was the engagement and effectiveness of the JRWG. The early workshops helped the JRWG members to see that the value to Guinea-Bissau of an independent and respected judiciary had to be demonstrated; it could not be assumed. The action-planning process helped to make this clear, and the garnering of donor resources for plan activities served to increase prestige and commitment, which was brokered into additional political support. A highly publicized visit from an American judge early in the IPC intervention, by increasing the visibility of the proposed policy reforms and the JRWG itself, served to boost the credibility of the working group and solidified the place of judicial reform on the country's political agenda. Progress accelerated over the next several months with the participation of about ten Guineans in a study tour to Brazil, orchestrated by the IPC team, which included a Brazilian judge who had helped form the JRWG and had worked with the group on the action plan.

At the start of the intervention the JRWG relied relatively heavily on the IPC consultants for guidance and skill-building, but as the members' capacity grew, the level of direct involvement by the TA team tapered off. The Guineans increasingly took the lead for organizing and implementing the action plan components, turning to IPC in particular instances for consultation and advice. The JRWG made all major decisions on their own, including when to call upon IPC for support. The reform process became truly theirs.

The expansion of IPC's intervention to the other two policy areas began about three months into the work on judicial reform, in both cases in response to windows of opportunity. In the case of private sector reforms, the window opened in January 1993 with the appointment of a new Ministry of Commerce and Industry who was interested in addressing constraints to commercial investment and in improving ministry operations. IPC used a similar approach to capacity-building for judicial reform, establishing a working group and developing an action plan designed both to undertake policy analysis and build support for reform. A series of studies and workshops culminated in a National Conference on Commercial Policy and Legislation that made a number of policy recommendations. These were further elaborated by the working group, submitted to the Council of Ministers, and with the support of the President, enacted into law.

A second window opened in mid-1993 when the Minister of Rural Development and Agriculture approached USAID for help in redefining the role of government in agriculture. While the problems with public sector-led development and the weaknesses of resource-poor, donor-dependent bureaucracies were well recognized, what to do about them was less clear. As with the other two policy areas, the IPC team supported a working group through a process of analysis, joint reflection and discussion, and action planning. Training in workshops and study tours (for example, a visit to Senegal and Mali to observe privatization of veterinary services) built skills and capacity along the way. By the end of 1994 the working group concentrated upon generating political support for the technical policy reforms proposed. Here also, the Guineans took the lead in deciding what to do.

B. CAPACITY-BUILDING IN THE PRIVATE SECTOR AND CIVIL SOCIETY

Among IPC's most innovative capacity-building efforts have been those aimed at expanding the participation of groups outside of government in the policy process. These interventions are inventoried in Table 4. As can be seen from the table, public agencies are not excluded from this category of capacity-building interventions, but they are not the primary targets of technical assistance. The emphasis here has been on increasing the capacity of private sector and civil society actors to make effective demands on government rather than concentrate solely on the "supply side," that is, on government's ability to respond to constituents and client groups by providing goods and services (see Goldsmith, 1993).

Two examples illustrate IPC's activities in this category, both from West Africa.

1. The West African Enterprise Network

The idea of creating a network of business persons, from both anglophone and francophone West Africa, emerged from a 1991 conference jointly sponsored by USAID and the OECD's Club du Sahel. The conference focused on the business climate in West Africa, and one of the issues raised was the need to modify the policy environment to make it more pro-business; many countries have a variety of policies, regulations, and procedures that hamper private sector operations. African conference participants recommended the establishment of some sort of coalition among members of the region's private sector to work on advocacy for policy reforms. By the next year, USAID's response to the recommendation resulted in a capacity-building project funded through IPC to set up such a network with the dual objectives of improving the business climate in member countries and promoting regional cross-border trade and investment.

The IPC intervention, which began in late 1992 and will continue until late 1997, provides capacity-building assistance to support: 1) creation of eleven national networks of entrepreneurs; 2) strategic planning for each national network to identify and advocate needed pro-business policy reforms; 3) organizational and skills development to enable each network to implement its plan, articulate policy positions, and lobby government and donor officials; 4) sustainability planning to ensure long-term network viability; and 5) exchange of experience and dialogue among national networks. A two-person consultant team, supplemented on occasion by other specialists, has furnished TA over the life of the intervention. In addition, a small allocationof resources has been provided for logistical support to hold quarterly regional meetings of network representatives and to publish a quarterly bilingual newsletter. The Enterprise Network started with 20 donor-selected representatives from eight countries; today it comprises around 300 locally designated members in eleven countries.

Table 4. IPC Capacity-Building Interventions: Private Sector and Civil Society Focus

Policy Area	Country or Countries	Year(s)	Capacity-building Target(s)	Capacity-building Objectives	Tools Used	Capacity-building Activities
Regional Livestock Trade Reform	Mali, Burkina Faso, Côte d'Ivoire,	1991-1995	Private Sector Prof'l. Assns., Regional Trade Orgs., Customs Bureaus, Ag. Ministries.	Improve the capacity of public agencies to promote policy reforms for liberalized regional livestock trade, and of private sector actors to monitor reform progress and articulate their needs and concerns to public policy-makers.	APS, AL, CM, IM, MIS, MC, OS, PM, PS, SA, SWOT	Joint analysis of constraints to trade; creation of public-private sector working groups; facilitation of regional conferences and fora; training workshops; action-planning; policy monitoring.
Private Sector Development	Uganda	1991-1993	Private Sector Operators, National Forum	Increase the capacity of private sector entrepreneurs to articulate their needs and concerns, identify policy issues, formulate policy positions, and lobby public policy-makers for reforms.	AL, CM, PM, PS, SA, VC	Support to creation of the National Forum; facilitation of Forum conferences; targeted policy analysis and issues identification; OJT; action-planning, policy monitoring.
Private Sector Development	West Africa	1992-1995	Private sector operators, Enterprise Network	Increase the capacity of private sector entrepreneurs to articulate their needs and concerns, identify policy issues, formulate policy positions, and lobby public policy-makers for reforms.	APS, AL, CM, IM, MIS, MC, OS, PM, PS, SA, SWOT	Facilitation/consolidation of regional and national Enterprise Networks; training workshops; action-planning; OJT; conferences and regional meetings.
Private Sector Development	South Africa	1993-1995	Sunnyside Group (small business lobbying assn.), NAFCOC	Increase the capacity of private sector entrepreneurs to articulate their needs and concerns, identify policy issues, formulate policy positions, and lobby public policy-makers for reforms.	APS, AL, CM, FA, IM, MC, OS, PM, PS, SA	Joint policy analysis; workshops; action-planning, OJT.
Regional Transportation and Communications Policy	Southern African Development Community (SADC)	1994-1995	Southern African Transport and Communications Commission (SATCC) and private sector operators	Increase regional capacity for participatory dialogue on policy issues between SATCC and sector stakeholders to develop regional protocols with a high probability of being implemented.	APS, AL, CM, OS, PS, SA	Joint analysis of regional transport/communications constraints; creation of participatory fora for public-private sector dialogue; facilitation of regional and national conferences and workshops; action-planning.

IPC TA to the networks has focused on helping the core members of each network to undertake the activities listed above. The IPC team visits each network anywhere from two to five times per year as well as participating in the quarterly regional meetings that bring together national coordinators. Especially in the first two years of the intervention, these visits incorporated a training component to pass on specific techniques and skills. The IPC team has conducted two regional workshops on advocacy and lobbying, and individual workshops on strategic management tools for each country lasting from one half to three days. By design as well as necessity, TA has focused on helping the networks' leaders to decide what they want to do and then facilitating a process to move forward. With a limited presence in any single country, the IPC team did not have (or want) the option of being anything other than a coach/facilitator for the networks. Because the idea of the network has tended to attract young, dynamic, and entrepreneurial people who have seen its value, the intervention has not had to spend time building commitment. Rather, a strong degree of ownership has been the starting point, and the IPC team has been able to concentrate on bolstering an already energized group of counterparts to accomplish what they want to do.

Network members are typically second generation entrepreneurs, between 35 and 45 years old, who have returned to Africa from overseas in the last five or ten years to set up businesses. Generally educated abroad with a pre-existing set of international contacts, members have invested their personal equity in their enterprises, often in conjunction with other family members. Most had not visited another country in the region before joining the network, but have quickly become convinced of the potential of regional trade integration. They tend to be innovative, aggressive, and impatient with the pace of change in their countries, and willing to finance their participation in the network out of their own pockets.

Some national networks are more dynamic than others. Differences emerge in the effectiveness of network leadership, the relative strength of members' participation in planned activities, and the relative progress of country governments toward democratization and open governance. Among the West African countries, the networks in Ghana, Mali, and Senegal have made the most progress. As an example of how capacity-building assistance has been provided, Table 5 summarizes the development path of the Ghana network.

2. Sahel Regional Livestock Trade Reform

In the African Sahel, the efficiency of commercial livestock trade is significantly constrained by the prevalence of corrupt practices associated with government regulation of crossborder trade. In 1991 the World Bank and USAID jointly financed the formulation of an action plan to improve the efficiency of livestock trade in the central corridor of the Sahel by lowering administrative and procedural barriers to inter-country commerce. The draft plan was subsequently distributed to African governments, regional organizations, and international donor agencies for discussion. In March 1992, at a conference jointly sponsored by the "Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel" (CILSS) and the "Communauté Economique du Bétail et de la Viande" (CEBV), representatives of twelve nations in the Sahel and coastal West Africa adopted a modified version of the action plan and recommended that Mali, Burkina Faso, and Ivory Coast implement a pilot effort to promote regional economic integration. This came to be known as the Nouakchott Plan, after the Mauritanian capital where the conference was held.

The plan presented an integrated approach to reform that builds upon the convergent interests of government, whose leaders would like to see their economies grow, and private sector actors, who are the direct beneficiaries of reform. These latter include livestock producers and traders, professional organizations, private transporters and the consumers of livestock products in each of the three target nations. It addressed a politically charged topic (reducing corruption) in the context of a universally accepted objective: the promotion of regional economic integration. Its proposals to reduce corruption focused upon limitingopportunities for rent-seeking through reduction of regulation, rather than upon sanctions to discourage it. National coordinating committees were established, made up of government officials from a variety of ministries or agencies and private actors representing stakeholder groups in all three countries. While the committees were at first largely informal, ad hoc fora for the discussion of a reform agenda, in less than a year they obtained legal recognition.

Table 5. Capacity-Building for Ghana's Enterprise Network, 1993-1994

Dates	Activities and Milestones	Dates	Activities and Milestones
Jan.- Mar. 1993	IPC TA team visits Ghana to work with local private sector leaders to identify core membership and establish work program. Five core members identified; 15 additional persons interviewed. Work program established with five objectives: improving dialogue with the state, increasing foreign investment, restructuring Ghanaian firms, promoting capital markets, and fostering entrepreneurship. The first three are selected as priorities, actvities and responsibilities are detailed. Decision to host the Network's Regional Conference in Accra. Network members begin developing strategic alliances with other private sector groups (Association of Ghanaian Industries, Federation of Associations of Ghanaian Exporters), key government agencies (Ghana Export Promotion Council, Ghana Investment Center), public/private consultative groups (Private Sector Advisory Group), and influential officials. Network members prepare documents on the Ghana Stock Exchange and participate in trade visits to promote investments in Ghana. Lobbying begins to remove restrictions on foreign investment on the Stock Exchange. Expansion of Network membership to 20 persons. Ghanaian Network delegation attends coordinators' meeting in Abidjan; presentation of refined strategic plan and logistics for the Regional Conference. Network coordinator agrees to prepare paper on financial sector innovations in Ghana for presentation at the regional conference. Kwabena Darko, president of Darko Farms, agrees to prepare paper on African international competitiveness for the conference.	July- Sept. 1993	Network creates Investment Advisory Group to provide advice to Network members and young entrepreneurs. Network decides to fund an Entrepreneurship Chair at the University of Ghana, Legon. Network participates in Commonwealth Business International conference in London where Enterprise Network is presented. TA team assists in review and update of plan and in preparation for regional coordinators' meeting. One-day workshop on advocacy conducted for Network members. Regional coordinators' meeting focuses on presentation of draft papers for the Regional Conference and decides to highlight financial sector reforms as key Network success. Senior Network representative visits Washington and meets with USAID and World Bank officials. Network prepares for regional conference; participants are identified and keynote speakers invited. Network membership increases to 30 persons.
Apr.- June 1993	Network participates in government commissions on investment code reform and develops linkages with key parliamentarians. After briefings to USAID and the World Bank on its program, Network is invited to participate in the Private Enterprise Foundation, intended to foster improved private sector dialogue and policy analysis. Network holds a public launching and achieve government recognition as a "nonpartisan association of individuals seeking to dialogue with government on means of achieving reforms favorable to private sector-led economic growth." Exchange Control Law reform allows foreign participation on stock market. Following advocacy by private sector, including Network, privatization program is accelerated and discussions are begun on creation of a privatization fund. Network members participate in commission on creation of a Ghana Growth Fund and make trips overseas to identify potential foreign investors on Ghana Stock Market. Network members began preparation of <u>Ghana: An Investment Opportunity.</u>	Oct.- Dec. 1993	Government agrees to exempt mutual funds from corporate taxes, a measure the Network had advocated. Government accepts the creation of a Third List on the Stock Exchange for smaller companies. TA team meets with Network members to update strategic plan to include most recent accomplishments and new initiatives. Network hosts Regional Conference, attended by over 125 African businesspersons, the vice-ministers of Finance and Trade, the senior presidential advisor on the private sector, and donor representatives.

Dates	Activities and Milestones	Dates	Activities and Milestones
Jan.- Mar. 1994	At Network initiative, government divests holdings in seven multinationals by selling shares on the stock exchange; earlier reform allows foreign investors to participate. At January Regional coordinators' meeting, Network addresses issues of post-devaluation shock based on successive devaluations. Guidelines for advocacy program are identified. TA team assists in updating plan and assessing Network visibility/impact based on interviews with Ghana Investment Center, African Project Development Facility, Ghana Export Promotion Council, UNDP and USAID. Decision to push the Private Sector Impact Bill, proposing economic impact assessments prior to passing legislation affecting the private sector. Decision to use Ghana Plan as model for other networks. Investment Advisory Group assists network members in accessing venture capital windows and in listing on stock exchange. Network Coordinator attends African Business Round Table meeting in Arusha, presents the Network's accomplishments; is invited to Zambia as expert on capital markets reform.	July- Sept. 1994	Dinner debate between Network and Ministry of Finance officials is organized. Network begins organized lobby for privatization of pension funds currently under SSNIT (National Social Security) management. Network Coordinator visits Cote d'Ivoire to assess potential for regional stock market or venture capital fund. Network is registered as non-profit company. Annual membership fees are instituted. Network is invited to participate in monthly investment seminars organized by Ghana Investment Promotion Center where policy issues are debated. As member of Regional Network Executive Committee, Ghanaian Network Coordinator participates in planning session on regional network strategic plan in Dakar with TA team, using national network needs as basis for regional action plan.
Apr.- June 1994	TA team assists Network in review of strategic plan; ressource reductions lead to readjustments. Decision to phase out capital markets objective, which is well underway. New focus on investment promotion, working with Ghana Investment Center. Network-proposed Private Sector Impact Bill makes rounds of government offices and receives endorsement of senior presidential advisor, P.V. Obeng. Network receives authorization from the Ministry of Social Action to establish itself as a non-profit corporation, which would house a future Regional Information Center for Network membership. At Banjul coordinators' meeting, agreement is reached on creation of joint venture financial services firm between Ghanaian and Gambian member firms, intended to support creation of capital markets in The Gambia. Network members make presentations on lessons learned from the Ghana Stock Exchange experience and on venture capital in Ghana.	Oct.- Dec 1994	Regional coordinators' meeting in Bamako opts to build a professional subnetwork for the financial sector, based on policy reform achievements in Ghana and targeting exchanges of information on reform initiatives and lobbying techniques to create or expand capital markets in West Africa. Network proposes creation of Network-led West Africa Fund and lays out regulatory requirements and reforms which are needed to enact the fund. Entrepreneurship Chair at University of Ghana, Legon is endowed by Network contributions. Network Coordinator conducts briefings in U.S. with USAID and World Bank. Latter meeting leads World Bank to invite Network to policy conference in Nairobi in December to discuss means of increasing private sector participation in policy process and policy implementation. Network refines concept for West Africa Fund and presents it to private investment firms and donor agencies. Advocacy efforts continue to press for passage of the Private Sector Impact Bill. Network explores option of holding policy review conference with officials of the Economic Community of West African States (ECOWAS) during President Rawling's chairmanship of ECOWAS. Proposal made to regional coordinators' meeting. French Development Agency (CFD) makes first firm financial commitment to West Africa Fund and agrees to discuss policy constraints to the Fund's regional operations. Network continues planning for Regional Information Center. Network secretary inventories available policy and regulatory documentation.

To enhance the effectiveness of action plan implementation and improve coordination capacity, USAID asked IPC to provide assistance to the coordinating committees and other groups working with them. Starting in late 1992 and continuing through 1996, a small team of consultants, both American and African, have been supporting the committees on an intermittent basis in their efforts to implement the plan. This support has focused on introducing strategic management techniques for promoting, coordinating and implementing reforms in each of the action plan countries. With IPC assistance, the committees developed strategies and workplans for: a) identifying alternatives to existing policies, procedures and regulations; b) developing consensus and support for those changes; and c) coordinating related initiatives in each of the action plan countries. The TA team has provided ongoing coaching to the committees over the past several years, articulated around meetings that bring together various groupings of the actors involved for progress reporting, discussion, and negotiation. The latest of these was a ministerial level conference held in Abidjan in August 1994.

Progress in implementing the reform agenda has taken place during a period characterized by major changes, including advances toward democratization and greater public sector accountability in each of the three countries and, in January 1994, a massive devaluation of the region's common currency, the CFA franc. The dynamism in the environment has required a high degree of flexibility from both the cottees and the IPC team working with them. Building an inclusive coalition for reform to mobilize the numerous stakeholders having an interest in political and economic outcomes of efforts to reduce the costs of corruption has placed a premium on “looking out and ahead” skills because progress on reforms often engenders countermeasures aimed at recovering lost revenue or privileges, which then need to be dealt with by the reformers. For example, in Burkina Faso the suppression of one set of quasi-official levies was met by efforts to reimpose those same fees under another rubric. Similarly, in Mali, when livestock traders contested the imposition of fees for services provided by customs brokers, the brokers organized an effective political defense of their interests. Unable to obtain suppression of the brokers' levy, livestock traders shifted tactics and organized a campaign to broaden and improve service delivery by customs brokers.

Despite some setbacks, however, the national coordinating committee mechanism has enhanced the prospects for reform success by ensuring that the principal stakeholders— winners and losers alike— play a structured role in the implementation process. The committees have proven to be an effective counterweight to the tendency of African governments to deliberately exclude or marginalize non-elite groups from the policy process. The IPC team's efforts to facilitate the functioning of the committees have built nongovernmental actors' capacity to lobby effectively for change while increasing public sector actors' ability to listen to constituencies and engage in policy dialogue. IPC's success in this intervention is due to some extent to the perception of the team as a neutral party by all stakeholders.

V. STRATEGIC MANAGEMENT CAPACITY-BUILDING LESSONS LEARNED

The IPC Project's capacity-building interventions over the past five years, mostly undertaken in Africa and to a lesser extent in Latin America and Asia, have succeeded in demonstrating the utility of strategic management process approaches to policy change. It is difficult from an evaluation methodology perspective to establish a direct link between increases in strategic management capacity and improved policy outcomes, due both to the number and range of intervening variables, and to the long timeframe within which policy targeted the contribution of strategic management techniques, as transferred through capacity-building interventions, to improved policy management processes. In examining this linkage, both informal assessments from host country and USAID participants, plus the results of IPC's mid-term evaluation, which undertook formal interviews and two field visits, acknowledge the functional value of building policy reformers' capacities in the three categories discussed above— "looking in, out, and ahead"— especially the latter two. In the words of the mid-term evaluation team,

> Assisting clients to identify stakeholders and to involve them in constraints analysis, strategy development, and implementation planning stood out as the most prominent feature of IPC technical cooperation, in the view of the majority of those interviewed. This important component resulted in clearer understanding among the

> stakeholders of the intended policy changes; better tailoring of implementation to the host country environment, thereby im-proving the quality of the implementation; increased sense of ownership in the policy change; and it developed support for the change (Ink et al., 1994: 7).

Several lessons for effective capacity building can be drawn from analysis of IPC's experience. These range from the applicability of strategic management to policy change, the transfer of management tools and techniques through external assistance, to features of the larger setting within which policy change and associated capacity-building interventions are undertaken. The following discussion highlights the major lessons learned.

A. THE APPLICABILITY OF STRATEGIC MANAGEMENT TO POLICY CHANGE

IPC's strategic management process approach has demonstrated its applicability to implementing policy reforms in several ways. First, it has helped implementors to focus on the benefits of participation and the need to pay attention to stakeholders. Second, the approach has assisted managers to recognize the links between strategic and operational management tasks. Third, the approach has given managers a framework and tool-kit for integrating these elements into an action plan to guide the policy implementation process forward to achieving results.

1. The Benefits of Participation

Over the past several years, participation has undergone a renaissance of sorts as the international development mainstream has rediscovered its desirability. As noted in the introduction to this paper, successful implementation of long-haul policy reforms places a premium on broad involvement of affected stakeholders. Further, the democratization of political systems underway in much of the developing world accelerates trends toward increased citizen participation. 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, in Southern Africa to create fora for public-private discussion of regional transport and communications policy, and in West Africa to create Enterprise Networks in eight countries to lobby governments for a range of business, financial, and trade reforms are illustrative.

As the earlier quote from the mid-term evaluation indicates, IPC's participatory approach, which expands involvement of stakeholders in the policy implementation process, increases managers' ability to anticipate and deal with obstacles to change while simultaneously building ownership for reform outcomes. A USAID field staff member, in an internal memorandum reflecting on IPC's work in Guinea-Bissau, substantiates this point:

> I've now had the opportunity to participate in IPC meetings with public and private counterparts and can confirm that the methodology works, those involved feel ownership and they are committed to the objectives they have developed. ... I'm convinced that the IPC approach is the only way the Agency is going to make development work. We [external assistance] can serve as a catalyst, we can provide some organization and some expert advice, but the objectives and the process must be locally owned and led.

In terms of increasing the success of the transfer of capacity, IPC's experience corroborates the effectiveness of taking a participatory process approach to determining capacity-building targets and assistance programs. As noted in the discussion about entry, rather than arriving with a preconceived notion of whose capacity should be strengthened and of what they need, IPC TA teams have worked with country counterparts to decide together where capacity gaps lie, and through joint, hands-on application of strategic management tools, have shown their collaborators the applicability of new techniques. By its very nature, the facilitator role for TA emphasizes participation and ownership, and encourages counterparts to take the lead. Further, IPC teams have added local consultants to the team whenever feasible, thus expanding sources of capacity-building within a country.

2. Linking Strategic and Operational Management Tasks

IPC's capacity-building has focused on strategic management as the starting point for TA intervention. However, the project's "looking in, out, and ahead" management model indicates the strong links between strategic and operational management tasks (Brinkerhoff, 1992; see also Kiggundu, 1989). IPC's field activities have confirmed the validity and strength of these links. In the course of the joint analysis undertaken by IPC consultants and their developing country counterparts, using the tools of institutional mapping and SWOT assessment, the capacity constraints identified often point to how weaknesses in dealing with basic operations limit an organization's scope to exercise the strategic management function.

For example, when IPC was brought in to help the Zambian government's Cabinet Office deal more effectively with interministerial policy decisions and implementation, it became apparent that some of the problem related to an inability to cope with a series of "nuts and bolts" issues: communications, document flows, memoranda and minutes preparation, meeting management, and decision-tracking. In facilitating the establishment of a Policy Analysis and Coordination Division attached to the Cabinet, the IPC team helped the Zambians to improve these core operational competencies as well as to address the "looking out and ahead" tasks relating to strategic planning and management. IPC's interventions with policy analysis and implementation units in other countries, e.g., Jamaica and Honduras, demonstrate this same pattern (see Crosby, 1995).

IPC's experience has demonstrated the applicability of the strategic management tool-kit to policy implementation. Equally important, IPC's work has shown that paying attention to the tasks of strategic management leads to connections between those tasks and operational ones that are mutually reinforcing. This lesson is significant for capacity-building approaches in that it points up the performance benefits of integrating strategic thinking and routine operations. Thus, the question to be posed is not simply, "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?" In fact, an early error of strategic planning in industrialized countries was a failure to merge the strategy developers with the line managers (see for example, Mintzberg, 1994). However, answering the second question in the affirmative is much more dependent upon the larger context managers operate within than is a "yes" to the first. The more capacity-building seeks to extend beyond pinpoint interventions to address relatively circumscribed performance gaps, the more success is dependent upon factors external to the capacity-building intervention. Addressing the latter question helps to assure that capacity-building takes account of the range of factors important for sustainable change.

3. The Strategic Management Process Framework and Tool-kit

Whereas the conceptual framework of strategic management can be difficult for many developing country actors 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 (see Table 1). 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.

An important feature of the IPC approach, as contained in the nine-step framework, relates to the divisibility of its components. At the start of the project, a key question was whether the approach would be useful if it were not possible: a) to start with Step 1, and/or b) to proceed through all the steps. IPC's experience has answered this question positively, revealing the flexibility inherent in the framework. Regarding the starting point, 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 Step 1; this flexibility has been an important feature of IPC'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. The framework's emphasis on participatory process, in which analysis is joined with building understanding and commitment for action, contributes to making the transfer of strategic management capacity effective, as the next section elaborates.

Regarding the utility of undertaking some but not all of the steps, the framework's divisibility matched well with the kinds of TA assignments IPC ended up working on. Policy changes involve interconnected clusters of mandated goals, statutory directives, and assignment of responsibility to implementing organizations. At the outset, IPC anticipated working on discrete policies where initial choices had already been made. However, in practice project staff 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. These situations called for using one or several of the framework's steps, but not all of them, depending upon the starting point (see the discussion of flexibility in V.B.4 below).

B. TECHNOLOGY TRANSFER FOR CAPACITY-BUILDING

A major question facing IPC has been the extent to which the tools and techniques associated with the strategic management process steps can be effectively transferred to developing country actors with responsibilities for policy change. An important set of lessons, therefore, relates to the "what and how" of technology transfer. Regarding the "what," IPC experience demonstrates, as summarized above, the applicability of the strategic management process framework and tool-kit. Regarding the "how," a number of lessons emerge, the importance of client identification and consultant entry, the challenge of combining technical and process assistance, the utility of workshops, and the need for flexibility.

1. The Importance of Client Identification and Consultant Entry

The literature on organizational development cites consultant entry strategies, including client identification and clarification of roles and expectations, as critical first steps in successful organizational change interventions (see for example, Schein, 1987; Schwarz, 1993). IPC's experience bears out the importance of appropriate entry of TA teams for successful capacity-building. International technical cooperation is characterized by a host of unique features, not the least of which is a dual client structure that differentiates the donor agency arranging for and/or funding the provision of TA, and the developing country counterparts who are the ultimate "consumers" of TA services (see Berg, 1993). In most cases with USAID projects, the donor agency client— the USAID country mission— both defines the capacity-building task to be undertaken and identifies the developing country counterparts the TA team is to work with. As a result, the entry pathway is in certain important ways determined in advance, driven by contractual and procedural requirements.

However, the "right" client for capacity-building in the complex arena of policy reform is rarely something that is 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 planned at the policy formulation stage. The impossibility of knowing what to do and who to do it with in advance has been confirmed over and over through IPC's experience.

IPC's experience suggests that the terms of reference for capacity-building need to be sufficiently flexible to allow for a range of potential clients. One effective entry strategy is a reconnaissance process where outside consultants, in collaboration with the initial set of counterparts, conduct relatively openended assessments of who should be involved, what their views of the reforms to be undertaken are, and what and whose capacities need to be strengthened. This assessment then feeds into a mutual understanding of, and agreement on, the roles of the external TA team members and of the host country implementors.

For example, the Enterprise Network intervention resisted the tendency of the donors to select who should be the members of the national networks. The IPC team helped the leadership of each network develop their own criteria for membership selection. This led to a very different configuration of members from what was initially envisioned, but one that enabled the networks to draw upon the real sources of dynamism in the various countries' private sectors. These individuals were truly motivated to profit from the capacity-building the IPC team provided.

2. The Challenge of Combining Technical and Process TA

In spite of the increasing recognition that TA in the coach and facilitator roles, which emphasize process, can significantly enhance the effectiveness and sustainability of capacity-building efforts, there continues to be an emphasis on TA personnel as technical experts. Transition to different forms of technical cooperation is hampered by the stubborn inertia of ingrained practices, both on the assistance provider and recipient sides. The need for brevity in summarizing IPC experience glosses over the often protracted pre-intervention phase of negotiating and redefining the terms of reference of capacity-building assignments. Many requests for IPC TA services, in their initial form, asked for technical experts to perform operational tasks, such as to conduct policy and institutional studies, develop legislation, propose organizational changes, and so on. USAID scopes of work stress products and discrete deliverables. As the Agency and other international donors as well come under increasing pressure for accountability and demonstrable results this emphasis has become stronger. IPC has had to face the difficult task of translating flexible and intendedly client-driven process interventions into predetermined series of identifiable products so as to fit with donor agency procedures. One lesson here is the need to educate donor staff regarding the design and delivery of process-oriented capacity-building projects.

A related challenge has to do with establishing the value of process-oriented, facilitative TA in the eyes of developing country officials and counterparts. On the one hand, a commonly heard complaint is that donor agencies insist on using high-priced expatriate technical specialists who are either unwilling or unable to transfer their knowledge in ways that build local capacity. Yet on the other, developing country personnel, used to expatriates arriving to do studies and write reports, often question the value of process consultation because they perceive strong technical expertise and sector skills to be the most important. Process TA can be effective, but technical competence gets the foot in the door.

Three approaches to dealing with these issues 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 as well as specialists with "softer" process skills. For example, IPC's intervention in the Philippines to implement export promotion policy reforms assembled a team of expatriate and local consultants that consisted of three management trainers, two tax and duty drawback experts, two management information systems designers, two economists, a strategic management expert, and an evaluation advisor (Morton, 1994). As noted above, the use of multidisciplinary teams is one of IPC's basic operating principles.

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. The team working in Zambia on building capacity at the cabinet level to increase the efficiency of the policy formulation process used this approach. Early in the activity, one of the team conducted a comparative study of how cabinet offices are organized in different countries, which was then presented at a workshop for their counterparts and distributed to Zambian officials. This analytic work gave the Zambians confidence that the IPC team members "knew their stuff," and consequently the consultants were able to shift to a facilitator role.

Finally, in other situations IPC teams have included members with significant previous experience and personal contacts in the country or region. For example, in Guinea-Bissau the IPC team leader was the former US ambassador to the country, and was well-known and respected among a broad range of senior officials. In the Sahel regional livestock trade reform assignment, the team leader had been a member of the sector study that led to the design of the action plan and was familiar to, and recognized as knowledgeable by, all the major actors involved before the start of IPC's activity. The two consultants working with the West Africa Enterprise Network are recognized experts on the private sector and business lobbying, and one of them operated a business in Cameroon for a number of years earlier in his career. For all of these IPC operations, the external consultants' prior familiarity and experience laid to rest any credibility concerns.

3. The Utility of Workshops for Technology Transfer

Some of IPC's technology transfer has taken place one-on-one through on-the-job training in the course of IPC consultant-counterpart interaction. The majority, however, has occurred through informal workshops and, in some cases, more formal seminars. Examples of the former are the sessions organized to help Enterprise Network members develop strategic plans, and of the latter are the staff retreat held for the finance ministry in The Gambia, or the training seminar for environment sector personnel conducted in Madagascar. A look at Tables 2 and 4 reveals the widespread prevalence of workshops in IPC's capacity-building endeavors.

Although not usually thought of as a technology in the strict sense, workshops are central to the tool-kit of process consultation (Brinkerhoff, 1994b). They 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 economic efficiency gains by improving coordination across implementing agencies and sectors, elaborating jointly understood operational roles and rules, and disseminating information to clients and user groups. Workshops contribute to democratic governance by convening groups that have not worked together before, establishing common ground and areas of agreement and accountability, increasing support for policy issues and solutions, and building constituencies and ownership for reform. In this sense, workshops are an example of a policy forum, something that Bryson and Crosby identify as integral to strategic policy management (1992). IPC used workshops expressly for purposes of creating such a forum in Uganda, where over a two-year period consultants worked in collaboration with the Uganda Manufacturers Association to create a policy dialogue between government and the business community. Two major conferences were organized, punctuated by interim policy analysis carried out by topical working groups. Similarly, workshops were the backbone of IPC's support to the Southern Africa Transport and Communications Commission (SATCC) in fostering public-private exchange of views as input to the development of regional protocols governing transport and communications policy. Over a one-year period, IPC helped SATCC to organize and conduct fourteen workshops, including both national and regional ones, with over a thousand participants in all.

As noted earlier, because policy implementation crosscuts the nominal authority and statutory responsibility of any individual agency, management of the implementation process calls for mechanisms that bring together the relevant parties in ways that reduce the potential for conflict and increase the possibilities for effective coordination. Workshops function effectively as one of these mechanisms. They are non-hierarchical and participatory, their objectives explicitly target building consensus and agreement, and their emphasis on practicality can assure that participants address issues concretely in terms of what is to be done and who is responsible for which actions. The use of workshops throughout the life of IPC interventions to support policy reform has reinforced the strategic management process cycle by creating periodic venues for taking stock of progress, comparing targets with accomplishments, revising plans, addressing conflicts, reconfirming or renegotiating agreements, and sustaining new behaviors among participants. These outcomes have served to operationalize the iterative, adaptive nature of strategic management in a way that is clear, visible, and practical.

4. Flexibility

More successful reform implementation responds to what host country counterparts think is most important, moves at their pace, and accommodates their changes in direction and emphasis. Thus, flexibility is key to building ownership for, and commitment to, policy change and associated efforts to build change implementation capacity. In democratizing countries, flexibility is especially important because of the increased role of legislatures and civil society in the policy process. Outcomes and timetables cannot be dictated by the executive branch; negotiation and adaptation will produce results that differ from those originally planned.

Flexibility needs to be balanced with control and structure; the choice is not either-or, but one within the other (see Brinkerhoff and Ingle, 1989). IPC's facilitative strategic management process approach, 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.

Flexibility is also called for because policy changes are complex and often unpredictable. 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 consultants 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, IPC teams also worked with implementors who concentrated on some particular aspect of the implementation process, e.g., M&E systems or agency structure, and ignsues. 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). IPC's strategic management process approach helps implementors unite the big picture with the details, incorporating a flexible and creative response that is independent of whether one starts at the level of operational details or of broad policy vision.

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.

C. THE IMPACT OF THE EXTERNAL SETTING

In any development intervention, the ability to initiate and sustain change is significantly affected by features of the environment that surrounds the change effort (e.g., Brinkerhoff and Goldsmith, 1990). Policy reform is a complex and often unpredictable undertaking; and even under the best of circumstances, "the outcomes of implementation efforts are highly variable, ranging from successful to unsuccessful, but including also an almost limitless number of other potential outcomes" (Grindle and Thomas, 1991: 125). The complexity and unpredictability of policy implementation form a strong argument in favor of the strategic management process model that constitutes the core of IPC's capacity-building approach. At the same time, they argue against overly ambitious expectations for capacity-building interventions such as IPC's. This is not to minimize what the project has been able to accomplish, but to recognize the relatively greater impacts of the larger setting within which IPC interventions have been pursued. Several lessons emerge that touch upon these impacts.

1. The Primacy of Incentives

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. Incentives also influence the willingness and ability of policy champions to take ownership for policy changes.

An issue here is how far technology-transfer and capacity-building efforts can go in a single agency without addressing a country's governance system, size and wage bill of the civil service, pay structures and incentives, the legal system, links to political elites, etc. For example, regarding railway privatization in Mozambique where IPC consultants helped with some initial policy analysis and planning in anticipation of moving to implementation, White concludes that the sociopolitical environment created a set of incentives incompatible with applying strategic management (1996). Thus, efforts to build strategic management capacity under those conditions were essentially futile. She draws the general lesson that success with developing policy analysis and management capacity in the public sector is influenced by the extent to which decision-makers and implementors: a) are open to strategic alternatives based on technical merit rather than purely political considerations; b) are willing to seriously 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.

2. Facilitative Conditions for Change

External environmental factors can rarely be influenced by expatriate consultants working on capacity-building activities, though their impact on the success of those activities is critical. The lesson here is that 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 and introducing the strategic management approach in light of the situation.

IPC's experience with policy implementation essentially confirms earlier findings on institutional strengthening projects and programs indicating that 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 (Brinkerhoff, 1991). 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. Obviously, originally favorable conditions can sometimes deteriorate in unforeseen ways, as in IPC's strategic planning work with the finance ministry in The Gambia, which was cut short by a coup that overthrew the elected government.

3. Public Sector versus Civil Society Factors

Interestingly, IPC's capacity-building interventions with the private sector highlight a different set of exogenous factors from those having an impact on results in work with public sector managers. In the public sector, factors relating to agency and civil service incentive structures (e.g., salaries, perks, promotions, supervision) and to bureaucratic politics (e.g., turf, vested interests, hierarchy, coordination arrangements) appear to have had the most immediate impacts on the outcomes of IPC's strategic management capacity-building. Whereas, in the private sector, the availability of political space for interest group expression and the degree of democratic governance seem to have been more salient. For example, observers of the relative progress among the various national networks in IPC's Enterprise Network activity attribute some advances of the higher performing networks to the greater degree of economic liberalization and democratization in their countries. As Goldsmith notes, "demand depends on access to decision makers" (1993: 424). Thus it is not surprising that building demand-making capacity on the part of private sector groups works better in countries that afford more and easier avenues for information transmission, interest articulation, lobbying, and participation in policy dialogue. These countries are the ones farther along the path to democratization.

VI. CROSSCUTTING ISSUES AND THEMES

In concluding this theme paper that overviews and assesses IPC's capacity-building experience, a number of crosscutting issues/themes emerge as central to strategic management capacity-building and technology transfer. To a large extent, they are interlocking facets of the overarching concern that assistance providers and recipients wrestle with, namely: how can outside resources, both TA and financial, most effectively combine with host country resources to develop effective capacity to achieve desired policy change outcomes?

A. OWNERSHIP AND PARTICIPATION

A major recurring theme in IPC's activities is an emphasis on ownership, both of the policy change to be implemented and of the capacity-building efforts intended to enhance implementation. 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, externally initiated change efforts whether at the local or national level are likely to fail. This internalized desire for change is a precondition for sustainable capacity-building; otherwise the capacities that are developed or strengthened will either wither from lack of support, or migrate to where they are appreciated and applied. Both outcomes are frequently reported in developing country settings.

Closely attending the ownership theme is its partner, participation. Without policy "champions" who feel ownership for change, reform is not possible. Without participation, few people will feel ownership for, or accord legitimacy to the reform. The appropriate forms and levels of participation depend upon individual circumstances. Simplistic, "one size fits all" approaches do not work, but what does are efforts at inclusiveness rather than exclusiveness, and that are internally driven rather than externally propelled. Both within agencies, and between agencies and their constituencies, participatory processes range from informal consultative mechanisms to broader, more formalized fora to promote information exchange, dialogue, problem-solving, and progress review.

Building ownership and expanding participation take donor agencies, developing country reformers, and capacity-building consultants down a path whose features or destination cannot be precisely detailed in advance. The ownership and participation theme calls for flexibility, which is woven through IPC's experience. The more successful capacity-building interventions responded to what the host country counterparts thought was most important, moved at their pace, and accommodated their changes in direction and emphasis. The less successful activities were locked into a variety of predetermined choices: policy areas, organizational partners, timetables, etc. Despite its pluses, however, the flexibility needed for building ownership and participation is beset by a number of countervailing forces. These include: donor agency procedures and accountability requirements, weak financial and reporting systems in countries that allow misuse of donor and national resources, lack of understanding of process and facilitative TA approaches, and short-term politico-bureaucratic time horizons.

B. THE EXTERNAL ENVIRONMENT

Policy change and capacity-building interventions share a common problem of target selection and boundary definition. In the permeable world of development policies, programs, and projects, drawing a meaningful distinction between an intervention and its surrounding environment is frequently more a matter of convenience than a reflection of reality. Even as the actions internal to the policy reform or the capacity-building project seek to produce an impact in the wider setting, what goes on “inside” is significantly influenced by what happens “outside.”[3] As the UNDP definition of capacity quoted at the beginning of this paper indicates, the context in which organizations operate needs to be kept firmly in view. In IPC's experience, the external environment shows up in two critical areas. First, it influences a range of behavioral incentives, from those that influence policy ownership and participation, to adoption of management tools and techniques. Second, it conditions the degree and predictability of change, which relates to the need for flexibility. Some measure of 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 impact of the external environment on policy outcomes and the success of technology transfer puts a premium on attention to the facilitative conditions for change discussed above.

C. SUSTAINABILITY

Donor agencies and developing country officials alike want to see lasting policy impacts and sustainable implementation capacity. At any given point in time, however, a policy reflects an equilibrium among the interests of a country's dominant set of interest groups. These groups usually have a strong stake in maintaining the status quo. Policy reform, if it is to be sustainable, 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. All of IPC's country interventions have shown that building ownership, fostering inclusiveness and participation, using flexible and client-responsive approaches, and understanding the impact and influence of the external setting are related to sustainable policy implementation outcomes.

Donors have traditionally sought to improve policy reform performance by providing support to government policymakers to achieve better policy analysis, design, and implementation— essentially a supplyside approach. IPC's experience with the private sector and civil society shows the utility of also 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 the demands for voice and accountability that are sweeping many developing countries. A demand-building focus complements working with government to stimulate and support the supply response. Sustainable development is linked to a country's ability to democratize and govern itself in an open, accountable manner. This leads to the final crosscutting theme to be addressed in this paper.

D. DEMOCRATIC GOVERNANCE

A theme that has grown increasingly central to IPC over the life of the project is the link between effective policy implementation and democratic governance, brought to the forefront by the dramatic shift toward democratization in the developing world.

IPC's activities have been both affected by this trend and, in many cases, initiated in response to USAID interest in supporting democratic governance. IPC experience demonstrates that policy implementors need to work out action strategies in collaboration with those who have either a direct stake in the policy outcomes or who may play pivotal role in the implementation process. Thus, strategic management capacity and prospects for successful democratization are related. Repeated failure to effectively implement policy not only wastes resources vital to promoting socio-economic development, but can eventually threaten government legitimacy. National governments that fail to produce results acceptable to the general population or to important constituencies provide few incentives to play by the rules, to manage conflict creatively, or to voluntarily support the government and its policies. Such conditions undermine democratic processes and offer temptations to resort to authoritarian solutions.

IPC experience has provided convincing evidence that: a) democratic governance and institutional capacity to manage reforms in an inclusive manner are central to implementing policy objectives across practically all development sectors, and b) strategic management approaches can serve effectively to provide host country managers and other stakeholders with concrete steps to take thatoperationalize democratic governance and build institutional capacity. The governance perspective on democratization, supported by management capacity-building, contributes to making developing country democracies into sustainable political systems by concentrating on the arenas where the majority of citizens have the opportunity to influence decisions and actions that affect their lives on an ongoing basis. These arenas concern the interplay between governments and citizens during the policy process. Elections happen only periodically; but policy cycles, and implementation in particular, are continuous. Improvements in democratic governance, therefore, have the potential to generate positive impacts on peoples' lives far beyond the exercise of democratic choice at the ballot box.

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ENDNOTES

[1] USAID's Implementing Policy Change Project (No. 639-5491), which began in 1990, is housed in the Agency's Center for Democracy and Governance. The Center, like the rest of USAID, contracts out the majority of its technical assistance and analytical requirements to private and nonprofit firms, NGOs, and universities. IPC is implemented by a consortium of three consulting and policy research firms: Management Systems International (lead contractor), Abt Associates Inc., and Development Alternatives Inc. Core funds from the Center have contributed approximately $600 thousand per year for IPC's administration, research, and dissemination activities. USAID country field missions and the Washington-based regional bureaus have access to IPC technical resources through purchase agreements (known as buy-ins), in which specific tasks and services are contracted for. In addition to a special arrangement with the Bureau for Africa that has provided about $375 thousand per year for Africa-specific activities to IPC's core budget, 47 buy-ins over the life of the project (1990-95) have amounted to a total of $10.2 million.

[2] This nine-step model is referred to in the IPC Project Paper as the Louise White framework, after the author of the PP's technical annex that presents and elaborates the strategic management process model. The technical annex provides a comprehensive synthesis of the literature on implementation in developing countries organized around a strategic planning/management cycle that closely reflects the general strategic management model found in the planning and management literature overviewed in the two previous sections (II.A and II.B). A published version of her analysis can be found in White (1990).

[3] For example, this boundary-setting issue arises for USAID Missions in the context of determining their strategic objectives (SOs), which guide the focus and content of country assistance programs. Identifying appropriate SOs involves establishing plausible links between use of USAID resources and intended development outcomes, and clarifying the extent to which those links are influenced by external factors that might constrain the achievement of the SOs.