6
Change and Challenges

Introduction

The goal of a development project is to bring about change through technically sound programmes that are supported within a country by champions of reform. These may be individuals or institutions and they are often referred to as 'key drivers of change'.

Understanding how change occurs and the relationship between change and poverty reduction will help improve the effectiveness of delivery of projects. The basic concept of change derives from the recognition that organisations are composed of people, and how they respond to external interventions will to a great extent determine output. Several types of change can occur in an organisation. These include strategic changes as contained in the NES documents, technological changes as organisations embrace new technology, structural changes as organisations review their operations, and attitudinal and behavioural changes of individual personnel. These would often occur at different times but the likelihood of them occurring at the same time is not remote.

Mobilising Drivers of Change

Key drivers of change for an NES project include the cabinet, ministries of finance and trade, members of parliament, civil society groups and private sector bodies. The success of most projects depends on a number of factors but some are more important than others. When time and resources are limited, it is difficult to examine every single factor in detail. Efforts should focus on those factors that have most influence on the problem. These are the 'key drivers' (Rasiel and Friga 2001).

There are various ways to engage and mobilise individuals and institutions. These include:

- Integration of the NES into the national development plan for the country;

- An accountability mechanism that ensures the recipient government is accountable to the donor for the results of the NES investment;

- Involvement of all key stakeholders at the inception of the project;

- Pressure and advocacy;

- Demonstration of the benefits that may accrue to drivers of change;

- Provision of feedback and relevant information on progress; and,

- Circulation of success stories.

It is also important to introduce some form of discretionary incentives. As is common in the Western world, some performance based rewards in the NES design and implementation should be explored. It has been suggested that growth has failed to take place in most developing countries because the development formulas used did not take heed of the basic principle of economics: People respond to incentives (Easterly 2001). Getting incentives right is a principle that has to be implemented bit by bit, stripping away encrusted layers of vested interests with the wrong incentives and giving entry to new people with the right incentives.

Development agencies can play an important role by identifying and involving key drivers of change at the earliest stage of a project and acting as a neutral intermediary to bring together the relevant stakeholders. They can provide information from past experiences with other countries and support the dissemination of information about the NES project as well as ensuring a local presence in order to demonstrate commitment. Supplying resources and technical expertise to facilitate the process and liaising at the highest levels of government would help in ensuring that the NES project achieves and sustains a high profile in the country.

Common Problems

Although each NES project will need to address country specific institutional bottlenecks, there is a range of problems and challenges common to many countries.

Political will

One of the biggest challenges is a lack of understanding of the need for change.

At the most basic level there may be no legal mandate or authority for an institution to be the agent of change for the NES process. Alternatively the NES may be placed under the aegis of a government department that is less influential than another. For example, the NES may be under the domain of the Ministry of Trade when stakeholders perceive the Ministry of Finance to be more powerful.

When political will and support is inadequate it is highly unlikely that the NES work will be given the priority it deserves. As a consequence the human and financial resources required to support the NES work are not likely to be provided.

Public sector bureaucracy

When the NES process is led by the public sector, which does not operate on a profit basis, there is a possibility that it may not fully address market failures because

they are not clearly understood. There may also be competing and divergent policy instruments and positions. For example, there might be existing priorities for the import sector or for other sectors.

Often internal government communication practices and mechanisms are poor and some processes may be time consuming; for example, in one country people invited to take part in the NES project had to be approved at cabinet level.

The public sector may take a long time to make progress by committee, and there may be too much emphasis on analysis rather than action. When the consultative process takes too long stakeholder commitment fades. The private sector tends to be busy surviving and whilst companies may be interested in the NES process they may not have the time to go to too many meetings.

Private sector organisations

Having many private sector institutions is a challenge in terms of information flow between partners. In addition, not all stakeholders within the private sector belong to an organisation or have a formal structure. For example women or young people may not be well organised, and so it is difficult to ensure they are represented effectively.

Other considerations

Lack of technical expertise and technology: In many Commonwealth Member States, availability of human resources to address both demand and supply issues tends to be weak and this affects export competitiveness.

Lack of adequate consultation mechanisms, especially in a decentralised society: Most Commonwealth countries are now institutionalising public-private sector platforms but many are still in the infant stages.

Cultural differences between the public and private sectors: History has to a great extent influenced the way public and private sectors are run in many of the Commonwealth Member States, and this has not always resulted in a win-win situation. The message is that these two sectors do not always work well together; they have divergent and sometimes conflicting interests, and some are even hostile to each other.

Key Lessons and Conclusions

The following is a summary of the more important lessons learned and conclusions drawn through the experiences of NES projects from design through implementation.

Design phase

- All key stakeholders in the country should debate the need for a national export strategy before a decision to proceed is made;

- All key stakeholders must be consulted and should be involved in the design of the project;

- The government ministry or department with the planning and finance portfolio must play a leading role in the design of the project.

Development phase

- The government must commit resources to the development process;

- All key stakeholders must commit their individual resources to the project;

- The NES project should be consistent with the country's development strategy;

- To the extent possible, the NES project should be aligned to existing or planned national development programmes.

Implementation phase

- While the NES consultative process is underway momentum is usually high. But experience has shown that where resources for implementation are not made available immediately after the launch, momentum is likely to be lost and resuscitating it in the future becomes very difficult.

- It is only half of the success to develop a good national export strategy. Implementation is more important. A brilliant strategy may put you on the competitive map but only solid execution will keep you there.

- NES implementation requires change at various levels within the implementing agencies and people in these agencies must be willing to embrace change. Overlooking this is one of the greatest causes of failed transformation efforts in many projects.

- Different players in different organisations will inevitably have different views on the implementation aspects of NES. It is therefore crucial that the lead agency and the NES champion communicate clearly and effectively to all key players to ensure that they have a clear understanding of major implementation issues.

- Strategy implementation is about aligning operations with goals. Key to this is the allocation of resources. Unless adequate resources are made available and the NES effectively mainstreamed in the operations of the implementing agencies, success is unlikely to be realised.