Effective Institutions Platform

EIP Learning Event #2: Learning through Interconnected Systems

11 February 2021

SUMMARY REPORT

Key Takeaways

- Successful problem-solving and institutional reform relies on **organised reformers working with 'good problems'**: finding relevant solutions to problems of local significance, by adapting to context and co-creating solutions;
- Successful reform requires change agents continuously **securing authorisation, acceptance and approval** of the proposed change;
- **Working through networked affiliations** – linking systems, organisations and stakeholders – can facilitate change by cultivating support and ownership, generating ideas, and fostering a culture of learning and innovation.
- **MEL frameworks and indicators need to be flexible and adaptive** enough to capture the complex characteristics of networked and iterative approaches to institutional reform.

A. INTRODUCTION

This is a summary of the discussion and main takeaways from the virtual EIP learning event focused on learning through interconnected systems, held on 11 February 2011. Organised by the EIP Secretariat, the event brought together 58 representatives from government institutions, multilateral organisations, NGOs and academia.

The event was organised as part of the EIP learning event series, which aims to reflect on the attributes of effective peer-to-peer (P2P) partnerships as vehicles for institutional reform, and to consider the role of monitoring, evaluation and learning (MEL) in tracking and supporting these approaches. These events are convened to facilitate reflection and exchange among established practitioners, providing an opportunity for participants to share their own experiences of enabling change through P2P and alternative approaches to reform. Each event will result in a learning note that can be used as a reference tool by EIP members and partners.

Building on insights from the initial stock-taking of experiences among EIP Advisory Group members, captured in the EIP 'Lessons Harvesting Report'[1], this second event explored the circumstances under

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[1] Charlotte Ørnemark, Lessons Harvesting: Learning from P2P Engagements – Discussion Paper for a Monitoring, Evaluation and Learning Framework (Effective Institutions Platform: 2020).

which *connecting organisational systems* via P2P learning contributes to problem-solving and institutional change, and how MEL can be used to track and support this process.

The topic was articulated around a number of guiding questions:

- How can P2P partnerships go beyond the individual to enable organisational learning, and learning across networks of entities and organisations?
- What mechanisms exist to institutionalise and embed new skills and behaviour? How can institutional change and learning be sustained?
- How can we monitor capabilities across these different individual and organisational levels of operation, across different entities, and across the way in which these entities interlink?
- How can partners decide who tracks what in P2P learning initiatives (at what level of interaction) and who periodically compiles information for collective learning across actors?

The event was structured around a series of cases illustrating various facets, insights, and challenges related to the theme. The case presentations were followed by reflections from respondents and two open discussion segments.

The cases are summarised below (the full presentations are available on the EIP website), followed by a recount of the main takeaways from the conversation. The insights shared will inform the forthcoming EIP learning note on the theme. The event agenda and participant list are in Annex I and Annex II respectively.

B. LEARNING FROM PRACTICE: CASE SUMMARIES

The first case highlighted specific aspects of the reform process that led to **the passing of the Local Self-Government Finance Law in Albania**, including the significance of the connections, networks and peer exchanges enabled by a partnership between the Ministry of Finance and Economy (MoFE) and the Network of Associations of Local Authorities of South East Europe (NALAS). The process was led by a core group accommodated by the MoFE, which had established links to a range of actors, including line ministries, municipalities, civil society actors, development partners and parliamentarians.

As part of its knowledge management centre, NALAS hosts a number of (formal and informal) tools and approaches applied for P2P exchange and knowledge sharing, including sectoral peer exchanges geared towards organisational and institutional impact. NALAS provided crucial support to the change process in Albania by developing a **regional comparative survey gathering best practices, and organising a peer learning exchange** to discuss lessons learned from similar reform processes throughout South East Europe. The **network of formal and informal affiliations contributed to a system of peer learning and collaboration that increased capacity and skills** within the MoFE and among local governments, and boosted ownership of the new legal framework, in turn facilitating implementation. Among several positive outcomes, local government revenue has increased by 42% since the passing of the law.

The second case focused on **city-to-city collaboration between local governments in Brazil and Mozambique.** The initiative was coordinated by the United Cities and Local Governments (UCLG), the Brazilian National Front of Mayors (FNP) and the National Association of Municipalities of Mozambique (ANAMM), and involved a large number of stakeholders in both countries. The overall objectives emphasised improved institutional capacities of local governments, the role of local governments as agents of South-South decentralised cooperation, and advanced networking by

strengthening associations of local governments (such as FNP and ANAMM). The technical issues chosen – urban planning, cadastre development and participatory budgeting – were derived through a consultative process in which joint problems and priorities were articulated. The reform process involved technical visits, expert consultations and regular exchanges between the involved cities and networks.

The innovative methodology, centred on South-South, city-to-city, and association-to-association collaboration, was geared towards wide stakeholder engagement and the linking of systems and networks within and between the two countries. It resulted in successful reforms in several cities, built lasting trust between the actors involved, and strengthened the national associations. The project created a legacy of continued relations and active dialogue between the cities.

The third presentation focused on **the Building Public Finance Capabilities (BPFC) programme** implemented by the Collaborative Africa Budget Reform Initiative (CABRI). The BPFC programme is an 8-month action-learning programme, which aims to build new capabilities for teams to work on public finance problems and implement solutions in an adaptive manner. The programme applies a Problem Driven Iterative Adaptation (PDIA) approach. As an approach to institutional reform, PDIA builds on the key tenets of (i) solving real, locally identified, policy problems, (ii) allowing for experimentation and adaptation, and (iii) involving multiple stakeholders and agents throughout the process. The BPFC programme was implemented in the Gambia in 2017 to address a longstanding problem within the Ministry of Finance and Economic Affairs (MoFEA), involving high virements (transfers between budgeted items) and accumulation of arrears. Adhering to the problem-centric approach of PDIA, the reform team embarked on a locally led change process characterised by experimentation, collaboration and peer learning. At the end of the 8-month period the team had made significant progress towards the resolution of the problem, including establishing new guidelines and templates, training agents on arrears management, and reducing the number of virements by 25%.

FISCUS conducted an interim evaluation of the six countries that participated in the 2018 BPMC programme (Central African Republic, Côte d'Ivoire, Ghana, Lesotho, Liberia and Nigeria). The findings indicate clear evidence from three countries (Central African Republic, Lesotho and Liberia) that tangible progress was made towards the resolution of complex PFM problems. It also shows strong evidence of skills development across the cohort. The evaluation points to three conditions that need to come together for progress to be achieved:

- *A 'good' problem:* Focused attention on a relevant problem of local significance, whose key causes and sub causes have been well defined;
- *A strong authorising environment:* An Authoriser with genuine concern for the problem and sufficient influence to open up space for the PDIA team to work;
- *A functional team:* A team with a specific mandate to search for solutions to the problem and with the capacity to dedicate sufficient time to the task.

C. KEY THEMES AND TAKEAWAYS

This section provides a thematic summary of the main ideas, insights and experiences shared and discussed during the event, via case presentations, respondent interventions and contributions by participants during the open discussion segments.

1. Solving 'good problems': starting from (local) experience, adapting to context, co-creating solutions

The discussion highlighted the significance of identifying and addressing clearly defined problems of local relevance, most explicitly articulated in the PDIA approach applied by CABRI's BPFC programme. Indeed, the evaluation of the 2018 BPFC cohort found that working with a 'good' problem was a key factor to success. The three countries that undertook successful reform efforts all "focused attention on a relevant problem of local significance, whose causes and sub-causes were well defined". The discussion pointed to several distinguishing features of 'good' problems as effective starting points for institutional reform.

The problem is typically relevant to local people in that local managers and technical staff within (or close to) the organisation recognise the importance of the problem – they 'feel' it. In the Gambia, the project team of six officials from the Budget Directorate of the MoFEA arrived at the 'real' problem (high virements and arrears leading to a misalignment in the appropriated budget and spending) after a series of iterations around locally felt problems. The reform process that led to the passing of the Law on Local Self-Government Finance in Albania was similarly initiated as a locally articulated problem, voiced by local governments. It was the pressure from local governments that triggered the reform process, and afforded the MoFE the legitimacy and political momentum needed to drive the process.

Second, as illustrated by the reform process in the Gambia, the problem is gradually and iteratively unpacked, allowing solutions to be discovered along the way. This means that neither the full nature of the problem nor the solutions are necessarily known from the outset. This was the case in the Brazil-Mozambique city-to-city cooperation where both problems and solutions were jointly prioritised and co-created through the process. The BPFC programme applied a number of tools to deconstruct and get to the root cause(s) of the problem, including Ishikawa/fishbone diagrams. The Actor-Based Change Framework used by Government Partnerships International (GPI) is another example. Such tools are important as they allow reformers to understand and navigate the system, including by deconstructing the problem. In doing so reformers may uncover and differentiate between types of issues – skills deficiencies, time constraints, resource gaps, legislative/political obstacles and others – that may require separate actions/solutions.

Like many P2P approaches, part of what sets both PDIA and UCLG's approach to institutional reform apart from more traditional technical assistance approaches is their recognition of the vast significance of context and local experience. Rather than assuming that the problem is a result of poor implementation of a given (typically imported) model or solution, PDIA starts from the idea that the solution may be unknown, and highly context specific. Reaching a solution thus requires learning. According to UCLG, some 70% of all learning in local governments happens through individual experience, compared to 10% through 'capacity development' (the remaining 20% happens through P2P learning). The starting point of systemic reform, stressed by UCLG and GPI alike, must be the experience of the individual learner/reformer – coupled with careful understanding of, and adaptation to, the reform context.

This can be achieved by analysing key system properties, our pre-existing knowledge of its inner workings and external links. The Cynefin framework, for example, looks at the relation between the problem and the proposed solution, whether it is *simple* (known and obvious), *complicated* (requiring further analysis and investigation), *complex* (possible to perceive only iteratively or retrospectively), or *chaotic* (no relation at systems level). Implementing an e-bike system is likely a simple problem, whereas putting in place an emergency recovery system would be a chaotic starting point.

The cases illustrate different strategies for navigating the system and finding paths towards resolution. Whereas in the Gambia the solution was sought by iterating and learning from positive deviance from

within the organisation, in Albania the solution was sought through regional good practices. NALAS, in its function of facilitating connections between systems and networks, used a regional survey to map good practices and organised a peer learning exchange among practitioners in the region. The resulting comparative mapping became an important tool for the MoFE to design and negotiate the reform package, internally and externally.

2. Securing authorisation, acceptance and approval

Any institutional change process requires authorisation and acceptance of the proposed changes. This requires persistent work by reformers to ensure support and at key levels and stages. In the city-to-city cooperation between Mozambique and Brazil, strong political buy-in at the mayor level in both countries was secured from the onset, and was viewed as central to the success of the initiative. Securing such political support went beyond the formal signing of MoUs to also ensure the full involvement of the Mayors in the decision making process, including the selection of technical experts. Without such buy-in, in both countries, there would have been no commitment of resources, and no authorisation of the proposed actions.

Aimed at legislative (and fiscal) reform, the change process in Albania was inherently political. The complex authorising environment was dealt with through an inclusive and open process of consultation and preparation. Institutions and stakeholders expected to be impacted by the law were all involved in the consultations that led to the finalisation of the draft legal text. The open process built momentum, boosted ownership and created trust between local governments, the lead and line ministries. While the early involvement of legislators was crucial to the final passing of the law (authorisation), the sense of ownership (acceptance) among local governments has facilitated implementation.

The evaluation of CABRI's 2018 BPFC programme identifies a strong authorising environment – an authoriser with genuine concern for the problem and sufficient influence to open up space for the PDIA team to work – as one of three key conditions for progress. In these cases, the authorising environment allowed the reform team to work, collect data, organise meetings and share results in a protected environment. As seen in both the Albania and Brazil-Mozambique cases, ensuring authorisation and acceptance from multiple stakeholders – supplying political *and* administrative support – is fundamental to the change process. The PDIA approach recognises that such support is not constant but needs to be built through wide engagement throughout the reform. In the Gambia, the reform team (the 'fishbone team') met regularly to (re)assess the authorising environment, to foster Ministry-wide buy-in, maintain the provision of necessary resources, and to ensure acceptance among key stakeholders.

3. Working through networked affiliations

Successful reform depends on effective and organised reformers. As illustrated throughout the discussion, core teams of dedicated individuals – capacitated with sufficient time, knowledge and authority – are necessary to make change happen. The fishbone team in the Gambia and the setup with an extended and core Working Group within the MoFE in Albania are examples of different ways of organising the change effort. However, the three cases also highlight the importance of establishing connections with a range of (internal and external) actors and entities, linking systems and organisations. Working through such networked affiliations has a number of potential benefits: connecting actors, cultivating buy-in and acceptance, enabling peer learning, facilitating sharing of tools and methodologies, and providing long-term continuity and sustainability.

Specialised external networks such as UCLG, NALAS and ANAMM play an important role. The notion of establishing networked affiliations and working with a multitude of stakeholders is central to UCLG's approach to learning in cities. In the Brazil-Mozambique case, UCLG supplied the fundamental project methodology, which strengthened FNP and ANAMM and in turn enabled the comprehensive peer learning process that would follow. ANAMM and FNP now function as guardians of the knowledge generated through the project, providing long-term continuity. In Albania, NALAS introduced methodologies favouring peer exchange across systems and entities, such as peer learning workshops with policymakers and practitioners throughout the region. The system of interconnected affiliations, within which the NALAS-MoFE partnership was a central node, was an important factor in making possible the complex endeavour of passing Albania's first ever fiscal decentralisation law.

At the same time, establishing affiliations across units and departments within (or close to) the reform institution itself can be equally important. The reformers in the Gambia collaborated with the Internal Audit Office to fill capacity gaps within the MoFEA, and found the case of positive deviance[2] at the Ministry of Basic and Secondary Education, with which a learning collaboration was initiated. In Albania, the core group within the MoFE worked with line ministries and parliamentarians to build continuous support. These insights indicate that working through networked affiliations can contribute not only to the resolution of the policy problem at hand, but also help foster a general culture of learning and innovation.

4. Tracking and learning from interconnected systems

The networked and iterative modes of collaboration and problem-solving displayed by the cases – horizontal P2P partnerships, decentralised cooperation, problem-based cooperation – pose a challenge for traditional approaches to monitoring and evaluation. Consider for example the trademark characteristics of working with 'good' problems. How can MEL frameworks and indicators incorporate the flexibility and adaptation needed to accurately capture the complexity of change processes in which project goals and outcomes are not known at project initiation but are iteratively identified and refined throughout the reform process? And how can development practitioners determine 'best fit' as opposed to 'best practice' in the search for inspiration and potential solutions?

Trust, empathy and a sense of solidarity between peers and across affiliated networks and systems are all affective qualities that, when present, set P2P cooperation apart from more traditional TA approaches. The work and energy of Brazilian mayors, for example, was a source of inspiration for their peers in Mozambique, and the cooperation between them built a sense of solidarity that outlived the project. These are aspects not easily measured, and not typically considered in classic MEL approaches. They matter as factors both in the identification of peers and as partnership qualities that influence outcomes.

The continuum from formal to informal learning approaches applied by NALAS also has implications for how we track learning and impact. While the individual one-on-one learning often happening informally at one end of the continuum typically impacts behavioural change and individual skills, structured organisation-wide (typically better documented) at the formal level often targets institutional change. GPI emphasises the value of working on both ends of the continuum, given that systemic and organisational reform necessarily also involves individual change. To understand individual change GPI considers Everett Roger's Adoption Curve describing how innovation and

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[2] 'Positive deviance' in the PDIA approach refers to ideas and practices already existing and acted upon in the change context, that yield positive results but are not the norm. See Andrews et al (2017) "Building State Capability: Evidence, Analysis, Action". Oxford: Oxford University Press.

behavioural change is adopted through a population. Marking people (or groups, units, organisations) into categories such as 'innovators' and 'early adopters', the model is useful when reviewing and monitoring partnerships as it allows you to identify the individuals and/or groups that will allow for change to ripple through the system.

D. LOOKING FORWARD

The insights from the event will feed into the updated learning note, a draft version of which was circulated prior to the event, intended to be used as a reference tool for EIP members and partners. The body of insights generated through the learning events and captured in the learning notes also informs EIP's ongoing work to develop tools and guidance for better MEL practises applicable to P2P partnerships and learning initiatives.

The third learning event is planned for May 2021 and will focus on the theme of localised learning, exploring the circumstances under which P2P approaches can support the local diffusion of knowledge and facilitate problem solving and institutional change. The date and draft learning note will be shared in due course.

Annex I: Agenda