



## Innovation Brief

on International Development Services

### *Demand-driven Project Identification - Mobilizing Demand by weak Agencies*

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#### The Problem

***Governments, donor agencies and development programmes often push for solutions that are looking for a problem. Their interventions rely not just on external resources, but also on external initiative, decision-making and supervision. Such projects often do not gain a momentum of their own and evaporate as soon as external financial and political support comes to an end.***

The risks of externally driven projects are increasingly recognized, and some approaches attempt to address these. At the national level Sector Wide Approaches, Budget Support and PRSP's are meant to encourage initiative and foster local commitment.

At the lower level, NGO's may succeed in mobilizing and focussing demand from communities or special interest groups. But at the in-between level of individual Ministries and decentralized public sector agencies, external support to and through the public sector continues to be based on needs, priorities and capabilities that are often defined, controlled and supported from the outside. Simply asking such organisations to present their needs does not work, as it goes against the grain of centralized political arrangements and as this does not provide the operational tools that could help to mobilize, prioritize and manage demand by such organisations.

This problem, which hampers the allocation and absorption of external resources, is especially severe in contexts where public sector agencies are weak, newly established or marginalized: in fragile or failed states, post-conflict situations and newly independent countries. Southern Sudan, coming out of decades-long conflicts, fits all these categories.

#### The Challenge

The Capacity Building Trust Fund was established in 2005, supported by seven bi-lateral donors, aiming at providing fast, flexible and responsive support to build or rebuild capabilities in the devastated public sector of Southern Sudan. This region came out of civil war in 2005 and will become an independent, country in 2011. In the first few years of CBTF, assistance was provided to ministries and other organisations at the regional level, all based in Juba, the regional capital.

But in the second phase of the programme (2010 and 2011) attention was widened to the ten States that make up Southern Sudan. This is where the majority of the people live, hoping to see the benefits of the peace that was won with so much hardship. This is also where government institutions are weak, extremely under-resourced and inexperienced.

The need is to find ways to directly assist public sector agencies in these states, responding to **their** needs and perceptions, without dominating them and while adding to their confidence, strengths and sense of direction. This without imposing costly structures, paralysing procedures or complex procurement processes, but also without leaning on central ministries, already overburdened with their own agendas.

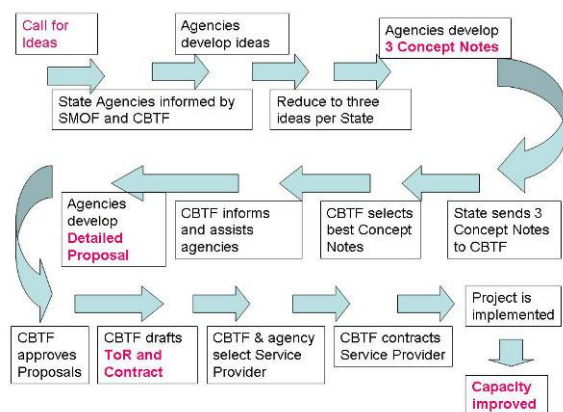
#### Challenges and risks include:

- Little experience in initiating projects
- Weak implementation capacity
- Logistic and security problems
- Fiduciary aspects of project implementation
- Long lines of communication
- Modest financial and human resources
- High expectations and very urgent needs

### Opening a Responsive Window

Instead of sending experts out to the States to identify problems and design projects, an approach was developed to build capacity right from the start and to put project design responsibilities with the agencies. All State agencies were directly invited to identify and prioritize their problems – and to propose solutions.

This took the shape of the **Responsive Window**: a step-by-step process to identify, select, elaborate, contract and execute modest projects, entirely managed by State agencies.



### Identifying and prioritizing potential Projects

The initial stage covered two months. It was agreed with the central Ministry of Finance and Economic Planning to launch the process at a workshop of all state level Ministries of Finance, capitalizing on the fact that key staff from all States would be together. Visible support by the leadership was mobilized and formal endorsement secured through a Governmental Directive. Face-to-face meetings were then organized in all states, to explain and stimulate.

1. Potentially interested agencies across the states were informed through four channels: central and state-level Ministries of Finance, personal visits to all state capitals with meetings with heads of agencies, information through the project's website and direct mailing to known contacts.
2. All were encouraged to identify capacity problems that could be addressed through small (US \$ 300,000), fast and responsive projects, and to identify the possible projects, that could address such problems.
3. A strict deadline of one month was observed and existing structures for development planning were used to arrive at consensus on priority projects.
4. Concept Notes were invited from all states: maximum four pages, following a simple and clear format.
5. It was left to the States to narrow down all ideas to a maximum three Concept Notes.

The result of these first steps was overwhelmingly positive: the ten States did, indeed, submit thirty **Concept Notes**.

### Template for Concept Note

**State:**

**Agency:**

**Date:**

**Brief title of proposed project:**

**Name of contact person:**

**Contact details (phone and e-mail):**

1. **What is the problem?** Max half a page
2. **What are the effects of the problem?** max half a page
3. **What are the causes of the problem?** max half a page.
4. **What should be done about the problem?** max one page
5. **What will the organisation do to resolve the problem?** max half a page
6. **What support would be needed from CBTF?** Max half a page
7. **How should the project be organized and managed?** max half a page

Agencies were encouraged to find their own ways to select priorities, often based on development plans already set out for their State. Some involved their political leadership, some decided through Directors' meetings, others let time decide.

All Concept Notes followed the suggested outline and most presented sensible, viable and highly relevant ideas on how to improve local capacities with modest means. The strict deadline discouraged weak or divided agencies to join the process, bringing the more dynamic and focused agencies to the front.

### Selecting and Designing Projects

The next challenge was to reduce the number of Concept Notes to twelve **Detailed Project Proposals** that could be financed within the available budget of \$ 3.6 million and that could be managed with limited staff and support time. Technical Assistance was mobilized by sending two experts to all states, to sit down with the agencies and prepare the Detailed Proposals.

6. Criteria were developed to select the best Concept Notes.
7. Innovation, value for money, feasibility and potential for piloting new approaches were assessed to select the best ideas.
8. After selecting the most convincing Concept Notes, each of the concerned agencies received two to three days of hands-on assistance to elaborate their notes towards a full-fledged Detailed Proposal.

9. A format for such proposals, including budget and draft ToR for eventual Service Providers was prescribed and a strict deadline (one month) was applied.
10. A central workshop was held with representatives of all selected agencies to discuss finalizing the proposals, selecting service providers and managing projects.
11. Agencies received detailed feedback on their initial draft proposals and were invited to address weak elements.
12. Most agencies opted to make adjustments themselves; some requested the programme to come up with suggestions.
13. Detailed face-to-face meetings were held on all final proposals, resolving all pending issues.

These travelling experts offered practical advice, which was welcomed and effectively used, but this support did not lead to loss of ownership by the agencies.

While the experts provided modest support, the agencies themselves were the ones responsible to decide, finalize and submit their Detailed Draft Proposal.

These Proposals were reviewed and commented by CBTF staff and questions and comments were shared with the agencies, inviting the next draft. This process took time as communication back-and-forth with the agencies suffered from physical constraints.

But all agencies maintained high interest, responded fast and professionally to the issues that were raised and all were able to reach agreement with higher authorities where needed, e.g. on committing local resources. CBTF's Steering Committee accepted the final proposals, clearing the way for next steps.

### Finding Service Providers

All projects were about capacity building of staff and systems, sometimes also at policy level. Projects included funds for operating costs and modest equipment, and all needed some form of technical assistance for training, coaching, organizing study tours, advice on policies, installing ICT or drafting regulations.

A special effort was made to identify **Service Providers** based in Southern Sudan. Individuals, NGOs, companies, foundations or anyone else interested to provide technical services were invited to register with the programme. Newspapers, websites, direct mailing and existing networks were used to spread this message.

This resulted in some 100 individual experts and 60 organisations registering as potential Service Providers. Their expertise was reviewed and matched with the 12 projects, which had, by then, been accepted. Very similar projects were clustered into larger programmes to create synergy and increase attractiveness for potential bidders. **Longlists** of potential bidders were shared with the respective agencies and reduced to **Shortlists** of three or four viable bidders.

The short-listed organisations were given six weeks to submit their Technical and Financial Proposals against a ceiling of US 300,000 for individual projects, 80/20 (technical/financial) scoring, with expert CVs and logistic support weighing heavily.

### Some of the proposed Projects

Training of Local Government Administration Officers: **Develop and test a communication strategy, develop and provide training for Local Government staff in skills and knowledge required for their work.**

Enhancement of State Capacity in planning, revenue generation and financial management: **Improve capabilities at staff and systems level in annual planning and revenue generation.**

Human Resources Management Enhancement: **Improve systems and staff in Human Resource Management and initiate steps towards Public Service Reform.**

Prison Service Human Resource Management: **Train staff, introduce ICT, strengthen administration, and provide PC's and generators, in order to improve prison management.**

Tax Reforms Programme: **Design Tax Reform strategy, secure political support and approval and coach key staff on rolling out this strategy.**

State Capacity for Public Service Reform: **Develop legal framework and training for reform, set up database on staff, elaborate HRM policies introduce ICT and introduce performance management appraisal tools.**

Employee Identification System: **Develop, field-test and roll out a digitized systems for employee identification for payroll, fiscal and security uses.**

Developing electronic Financial Management System: **Develop, test and roll out computerisation of the financial management system.**

### Launching Projects

While procurement was transparent and professional, flexibility was used to do justice to the context of weak agencies and, sometimes, fledgling service providers. But approaching this part of the process as capacity building as well, maintaining direct and open communication with all parties and accepting a pragmatic approach helped to solve problems.

Service Providers were instructed to set a substantial part of the budget aside for operating costs, in order to finance equipment, supplies, transport, training and other inputs for the agencies, as most do not have access to any of these. However, staff time, support, working space and access to all information have to come from the agencies, at no cost. They will also be responsible for managing and supervising projects. Much attention was given to arrive at mutually realistic expectations on what could be expected within the available budget, time and local resources.

### Lessons learned so far

- a. Staff of state agencies can be highly motivated and well prepared to identify problems and come up with realistic solutions.
- b. Local agencies are willing and able to devote substantial resources on their side to projects they identify.
- c. Existing structures can be used to channel communications and decision making, provided these are not biased.
- d. Strict and simple formats make such processes much easier, but flexible hands-on assistance is crucial.
- e. Expectations need to be actively managed and offering limited menu of support options can prevent unrealistic expectations.
- f. Unit costs of eventual support need to be determined early on, in order to get realistic budgets.
- g. Projects should not be too small or too many, to be attractive for Service Providers and manageable through a streamlined procurement process.
- h. Clustering similar projects into a larger package can make procurement easier for all.
- i. Training, coaching and hands-on assistance are essential at crucial stages.
- j. The procurement process needs flexibility, speed and pragmatism, but has to be transparent and participatory at all stages.
- k. While agencies are most willing to manage and execute projects of their choice, they need targeted training on contract management, supervision and monitoring.

### Monitoring and managing Projects

While execution will bring its own lessons, two valuable insights have been gained. The most important one is that even in the very difficult setting of Southern Sudan local initiative and ownership are possible and strongly wanted. With all logistic and institutional complications, the partners in the States have taken full responsibility for their projects and their attitude towards donors and development agencies is one of confidence and initiative.

The second insight is that external support can be tailored to local needs and expectations, provided genuine space is allowed for local initiative, modest but flexible support is offered and processes reflect local needs and pace, rather than donor requirements or mechanical procedures. Approaching the process of developing projects as capacity building in its own right, pays off for all parties and can establish genuine partnership.



*The public administration experts of BMB Mott MacDonald deal with many of the above issues. They do not bring ready-made answers, but they help to ask probing questions, identify options, share relevant experiences and select optimal responses. They can assist, as trainers, advisers, managers or monitors, to introduce improvements, build capacities and test alternative approaches.*

### You are welcome to contact us through:

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