

# Introduction



# Smart Implementation in Development Cooperation: An Introduction to Issues and Concepts

*Renate Kirsch, Elke Siehl, and Albrecht Stockmayer*

Designs of international development programs have become increasingly complex over the years. Multi-sectoral and multi-level program<sup>1</sup> designs reflect a growing understanding that change within social systems has to be addressed systemically, that is, programs try to address a social system as a whole and not just one element of it. This is especially apparent in governance programs,<sup>2</sup> which aim at changing the rules of institutions in a social system in order to better serve people. These programs, in particular, are faced with a high degree of complexity, uncertainty, reflexivity, and political deliberation, all of which require specific attention during program implementation. Furthermore, the importance of addressing governance issues across all sectors has been broadly accepted as a means for achieving more sustainable development results. Nowadays, we see governance aspects being integrated into the design of water, health, energy, education, and infrastructure programs at the policy and organizational levels (GIZ, 2012). Therefore, governance programs provide a good example for discussing implementation challenges. In addition, the expectations about the results that can be achieved by development measures have risen, and their fulfillment is being monitored and evaluated with increasing attention by funders and partner organizations. Both aspects influence the design and implementation of development programs (World Bank, 2017).

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- 1 The term program is used throughout this article to refer to programs, projects, and investments.
  - 2 GIZ understands “governance as the systems (consisting of actors, rules and structures) that determine how governmental and non-governmental stakeholders reach decisions and use public resources to guarantee public services. Governance includes both the interrelationships between government actors (executive, legislative and judicial) and between government, civil society and private-sector actors that act at all different levels: international, regional, national and local” (GIZ [Deutsche Gesellschaft für Internationale Zusammenarbeit], 2014).

International development organizations and research institutes have renewed their commitment to implementation as a part of the program cycle that is central for achieving the effectiveness of development programs while also being a complex and often unique process in itself.<sup>3</sup> Recent discussions indicate that the understanding of how complex programs are managed and steered – or which rules and principles actually guide implementation – is still limited. This is somewhat surprising, considering the vast and rich experiences of skilled and practiced program staff, who must have this knowledge at their command in their daily work. However, this information seems to be tacit knowledge to a certain degree, difficult to share and discuss widely. This book intends to contribute to the discussion on implementation by making some of this tacit knowledge explicit and practical. Creating strong narratives via case studies is one way to tap into this vast body of underexplored knowledge.<sup>4</sup> It does so by presenting nine case studies of GIZ governance programs<sup>5</sup> that describe the challenges, trigger points, and opportunities program teams encountered during implementation, how they addressed them, and which frame conditions, approaches, and instruments were helpful or hindering. By analyzing these experiences, we hope to identify principles of engagement and management that can guide program staff in implementing more effective and sustainable development operations. Furthermore, we hope to reveal blind spots of what we do not yet understand and outline an agenda for further investigation and knowledge-gathering among development practitioners.

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3 See Verena Fritz's contribution in this book for a full overview of the discussion.

4 The case study methodology used in this book is based on Yin (2009) as well as the Guidelines of the Global Delivery Initiative (2014, pp. 24–25). Guidelines for writing case studies were developed and shared with all GIZ governance teams (Kirsch, 2015).

5 GIZ implements these programs on behalf of its commissioning parties, that is, the German Ministry for Economic Cooperation and Development (BMZ) and the European Union in Azerbaijan. Australian Aid and the World Bank provided additional finances to the governance program in Liberia. This publication focuses on reviewing implementation experiences in governance programs. Experiences from other sectors are presented in nine case studies, which are included in the GDI library and present experiences in water, health, energy, administration, rule of law, and sustainable supply chain programs; see <http://globaldeliveryinitiative.org/global-delivery-library>

We start the discussion by reviewing how development organizations engage in implementation. This is followed by revisiting conditions for implementing programs in complex environments and reexamining the tension between two different but mutually valid objectives: space for adaptation and orientation toward process versus orientation toward predefined results. How GIZ handles this tension is then explained by introducing the concept of “smart implementation.” The introduction chapter outlines in two sections the conceptual and institutional frame conditions in which GIZ programs operate and what this implies for the way programs are – and can be – implemented. This section includes an introduction to the concept of transformation, which GIZ’s governance division adopted in 2013 as a conceptual frame for program design and implementation. These reflections lead to the questions we want to discuss in the nine case studies. Finally, the cases and their implementation challenges are introduced.

## Modes of implementation in development cooperation

To start a discussion on implementation, it is worth revisiting in which ways development organizations engage in it. One modality is characterized by an external agency providing funding and technical support to a change process, but the implementation is predominantly the responsibility of the partners in country. This model applies to some bilateral donors and development banks, where loans or grants are offered to finance and facilitate change processes, but the ability to accompany partners in the actual implementation is limited to supervision. Alternatively, additional resources are required to include accompanying technical assistance measures, or technical assistance support is contracted out to a third party. The effectiveness of the development measure is assessed by the degree to which predefined results have been achieved at the end of the program (phase). The process of how the results have been achieved can often only be reviewed from a distance. In a second mode, development organizations accompany organizations in partner countries through change processes by means of predominantly in-kind advisory services. A first distinction to the first model is that these services are offered based on an agreement of joint responsibility between the external organization and the partner for managing the program and achieving results. A second difference is greater attention to process, with the assumption that the way

change occurs influences *which* results are achieved and their quality (e.g., degree of public acceptance to, inclusion of, and support by stakeholders for change). A third distinction is a higher degree of flexibility in reshaping predefined results and adapting to changes in the course of implementation. Within the inherent tension between achieving often ambitious and specific results and adapting to partners' interests and course of action, more space exists to accommodate the latter. The mode of engagement here is characterized by the notion that advisory teams accompany the change process of a partner government or institutions, in which the partners determine the overall direction, outcome, and pace. GIZ's mode of delivery falls into this second category. However, both modes of support see implementation as a crucial stage in the program cycle for enhancing development effectiveness, and program teams are eager to better understand what constitutes a successful or smart implementation. This provides the common ground for a joint learning agenda. Being aware of existing differences will facilitate communication across development partners and explain varying levels of attention to specific aspects.

### Balancing directive and adaptive approaches in implementation

Implementing organizations operate under two frameworks, that is, a results orientation that focuses on predefined, binding, and measurable results, and a process orientation that focuses on adapting to changes in complex situations. Both frameworks are equally valid but follow a logic that affects the other and might create tension for implementation. On the one hand, the Paris Declaration on Aid Effectiveness stipulates in its fourth principle on "managing for results" that all parties in development cooperation should pay more attention to achieving and measuring results (Organisation for Economic Co-operation and Development, 2005). This initial response resulted in a call for more program quality, transparency, and accountability to partners and taxpayers, and led to the development of new tools and standards, especially in program planning and evaluation. For implementation, this means more direction and clear boundaries in which the program operates, but also less freedom and flexibility to respond to changes that might occur. Furthermore, the political dimension of implementation is neglected, which is often the reason why adaptations

become necessary (Eyben, Guijt, Roche, & Shutt, 2015).<sup>6</sup> On the other hand, since 2010 several initiatives in development organizations and think tanks have called for paying more attention to the complexity of the environment in which development programs take place. These scholars and practitioners warn against the application of ready-made solutions that are presented in best practices with the intention of replicating them within different contexts (so-called codified ideas) (Andrews, 2013), as they lead to merely “isomorphic mimicry” – the shell of an institution without the ability to fulfill its intended function, because the rules, structures, and processes do not fit the environment in which it was placed (Andrews, Pritchett, & Woolcock, 2012). These initiatives promote the idea of working in a problem-driven, adaptive, and politically informed way. Here, implementation responds to the dynamics and conditions of local contexts and adapts to them following the direction, form, and pace that the reform program takes. The focus is on solving local problems that occur during implementation. Solutions are identified and legitimized by stakeholders and their broad involvement and endorsements. They are tested incrementally before they are brought to scale. Tight feedback loops support experimental learning and the ability to stay connected to local demands and interests (Andrews, Pritchett, & Woolcock, 2012, p. 1, 2017).

These ideas have been encapsulated in the Doing Development Differently agenda (DDD Manifesto Community, 2014), which is based on Problem-Driven Iterative Adaptation, on Thinking and Working Politically, and the experiences of the UK Overseas Development Institute’s work on African Power and Politics and predecessor programs (Andrews, Pritchett, & Woolcock, 2012, 2017; Levy 2014; Wild, Booth, Cummings, Foresti, & Wales, 2015; Wild, Andrews, Pett, & Dempster, 2016; Wild, Booth, & Valters, 2017; Leftwich, 2011; Booth, 2012, 2014). It also relates to the Global Delivery Initiative at the World Bank,<sup>7</sup> which aim to systematically record and document positive and negative implementation experiences from individual programs as objectively as possible using methods of empirical social research, on the basis of which common fea-

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6 The fact that parliaments have no role and relevance in the agenda illustrates this point.

7 See also <http://doingdevelopmentdifferently.com>; <http://publications.dlprog.org/TWP.pdf>; <https://www.odi.org/projects/africa-power-and-politics-programme>; <http://www.globaldeliveryinitiative.org/>; <http://blogs.worldbank.org/category/tags/science-delivery>

tures shall be identified and recommendations derived for comparable cases. All of these initiatives discuss implementation and offer new perspectives and concepts for operation.<sup>8</sup> Verena Fritz's article explains the genesis and core ideas of these initiatives in detail and reviews if – and to which extent – they have informed the way implementation is conducted and what still needs to be addressed.<sup>9</sup> This book is one of GIZ's contributions to this debate, in which we want to present our experiences and discuss how far we have come on some of these issues.

In conclusion, implementation surely needs direction, which is provided by making objectives and results explicit, and by stating how change is assumed to occur in theory. Measuring progress on these dimensions is helpful but not sufficient to ensure effective development. These measures in themselves will not ensure locally accepted, adapted, and sustainable results. For this, the transformative dimension of social change has to be taken into account, which acknowledges that implementation is a non-linear process that occurs with ruptures, reversals, delays, jumps, or simultaneous actions in other processes. Squaring the circle on these mutually valid objectives requires space and time for maneuver. Finding the balance between objectives that serve as landmarks offering guidance along the way in almost never linear change processes is an issue this book investigates.

## Defining smart implementation for GIZ programs

The tension that different development objectives can create for program design and implementation was the stimulus for discussions at GIZ in 2009. It was recognized that the implementation process needed to be unpacked, and that a better understanding was required of *how* programs are implemented in order to provide guidance for achieving results that are sustainable and considered valuable by partners. It was acknowledged that portraying an implementation process is not self-evident, as the relationship between programs and their results is neither direct nor causal but non-linear and complex in nature. GIZ proposed to accept complexity, uncertainty, and bounded rationality as given preconditions of its working

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8 For a comparison of similarities, overlaps and differences of these initiatives, see Algozo and Hudson (2016).

9 See Verena Fritz's contribution in this publication.



environment. As a consequence, joint responsibility for program implementation between partners and advisors, adaptive management based on permanent learning loops, and the incremental development of approaches and instruments was promoted, as this would allow for short feedback loops and easy adjustments during the implementation process. It was restated that, for GIZ's work, a focus on process is critical and determines the kind and quality of results that are achieved. It was also acknowledged that objectives and results might differ from the original program design and need to be adaptable during implementation due to the course the process takes. The essential idea of smart implementation takes the non-linear nature of development processes as a starting point for developing incremental, context-specific implementation strategies. The term smart implementation was coined in two GIZ publications that succeeded these discussions in 2009 and 2010 (Ernsthofer & Stockmayer, 2009; Frenken & Müller, 2010). Core elements of smart implementation entail a flexible and adaptive program management structure, as well as constant monitoring and analysis of the (political) environment.

*I CONCEPTUAL CONSIDERATIONS FOR SMART IMPLEMENTATION: FACILITATING THE COMPLEXITY OF SOCIAL CHANGE*

Moving from a linear to a complex understanding of development

Traditionally, development was perceived as being unidirectional. It was assumed that the desired changes would follow once the necessary inputs (technology, knowledge, etc.) were supplied. Changes were believed to happen in a linear fashion and to be foreseeable and steerable. Thus, programs were planned, executed, re-planned, and executed further. Reaching a specific aim was seen as a matter of analyzing the situation, developing the right design, optimizing the available means, and putting them to work. Milestones, benchmarks, and objectives with indicators all appeared to underscore the idea of unidirectional development. It was assumed that programs could be improved and accelerated, and that their results could be scaled-up and transplanted to other cases and countries. Yet, over the years, the shortcomings of such a technocratic, economic-centric, and apolitical approach became obvious. As a response, most aid organizations adopted political goals alongside the common socio-economic ones and established separate governance departments. However, governance pro-

grams also used to focus on rather technical issues (Carothers & de Gramont, 2013, pp. 5f., 177).

Over time, the objectives of governance programs in particular shifted from providing technical assistance to rather specific problems geared toward accompanying and facilitating complex reforms and social change processes in partner countries. Consequently, the understanding of how change occurs broadened, and “systems thinking” was increasingly adopted as the conceptual frame for approaching change and designing development measures (Green, 2016b, chapter 1).

Systems thinking<sup>10</sup> accepts that social change takes place within complex and dynamic systems. It can be stimulated by addressing the whole system, not only a single element of it. Change occurs from the inside and requires a critical mass of actors demanding it. Social systems tend to seek stability and a power equilibrium. Thus, the impulse for change can be neutralized and needs to be re-injected over time. Any external engagement leads to change within the system, whether intended or unintended. Measures supporting the change process affect the entire system across all levels (policy, institutional, and individual) and sectors and cannot be confined to the directly intended institution or stakeholder. This interdependence leads to indirect and second-round effects that require attention and response. Social change, as described by systems thinking, is explained as follows:

- It is a non-linear and reflexive process in which each achievement relates back to previous ones. The change process has a direction, but it incorporates loops, ruptures, and side paths. Events might occur immediately, simultaneously, or with tremendous delays. Achievements can be stalled, or even reversed, causing the process to move backward and forward, depending on, for example, political dynamics or changing majorities.
- Progress, acceleration, as well as setbacks and reversals occur when critical junctures or tipping points are reached that determine the future steps in the process.
- Outcomes and impacts can neither be fully known at the outset, nor can they be deduced from existing evidence alone; rather, they emerge as the implementation process moves on.

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10 For an introduction into system theory, see Simon (1998) and Luhmann (1984).

- Due to the interdependence of factors, stakeholders can steer or manage the process only to a limited extent and become themselves subject to influence and interferences by other parties.

The implication for program implementation is a high degree of uncertainty, uncontrollability, and unpredictability throughout the process. Decision-makers and program managers have to move in an environment where they are faced with insufficient information and often changing parameters. Constant analysis, responsiveness, flexibility, and adaptability are aids for program management that provide space to shape the process instead of only having to react to it (Andrews, Pritchett, & Woolcock, 2012, 2017; Booth & Unsworth, 2014; Root, Jones, & Wild, 2015; Green, 2016b).

### Transformation as the conceptual frame for GIZ governance programs

To better incorporate these considerations into program design and implementation, GIZ's governance and conflict division adopted the concept of transformation as a conceptual frame in 2013 (Hübner, Kohl, Siehl, & Stockmayer, 2013).<sup>11</sup> Transformation describes a complex, multidimensional process that encompasses all aspects of political, economic, social, and technological change. Transformation processes are characterized by their heterogeneity and entail diverging actors from politics, administration, the private sector, and civil society, as well as actors from the regional, national, and local levels. Elements of transformation include the changing of structures and institutions, but also changes in human interests, values, and attitudes. Transformation cannot be anticipated with certainty. The concept highlights the simultaneous and comprehensive nature of change processes, which do not always directly respond to defined problems or challenges. There are too many variables at play, and their nature as well as the many interdependences between these variables inhibit predicting the future direction of the process – let alone its effects. Transformation consists of many sub-processes, but they do not follow

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11 The concept of transformation was influenced by the experiences GIZ made in Eastern Europe and Central Asia in the 1990s and 2000s. The concept paper was developed by Albrecht Stockmayer, Katharina Hübner, Astrid Kohl, and Elke Siehl.

one unified objective (Loorbach, 2010, pp. 161–183). In many cases, transformation responds to past conflicts: It is subject to pressure from delayed reforms, but it is also driven by (often diverging) visions of the future in which actors try to change, for example, the present balance of power or allocation of resources. The relationship between actors is loose and complex, which makes it difficult to fully capture them (in 't Veld et al., 2011, p. 16). Yet, our partners and their institutions are embedded in these processes and will not abstain from trying to manage and interfere in them. Program staff needs to understand the nature of the transformation and remain conscious of the fact that there are only a few stable conditions in it, and that content, alliances, ownership, commitment, and resources change over time. Knowing the history and intention of the transformation is a prerequisite for advisors to offer sound support to partners that are moving within it.

### The role of governance in transformation

Every transformation process is (also) a governance process because it addresses interests and power relations as well as rules and resources. However, not every reform is necessarily a transformation, as not all reforms change the society's systemic characteristics or values. Transformation needs governance to give the process direction and drive.<sup>12</sup> Roeland J. in 't Veld et al. explain the double function of governance and call it *transgovernance*:

Governance relates to social systems. These are reflexive in nature. They learn continuously, with the support of experience, knowledge, revelation and so on. Creating governance means shaping and influencing social system, so governance has therefore to be reflexive in itself. (In 't Veld et al., 2011, p. 9)

The research team asserts that most of the transformative changes take place at a very small-scale level “ranging from technological innovations in niche-markets to adjustments in individual behavioral patterns” (in 't Veld et al., 2011, p. 16). Combined, these small changes lead to profound changes. *Transgovernance* is about finding and fostering such small-scale

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12 O'Neil and Cammack (2014) illustrate in a case study on Malawi the effects if governance is missing in transformation.

changes, which can – if governed well – lead to greater change and impact (in 't Veld et al., 2011, p. 16).

Governance in transformation supports managing asymmetries and unforeseeable changes. Learning, which results from reflexivity, ensures that actors can reach a certain degree of congruence to move forward. Thus, governance contributes to advancing transformation processes toward sustainable change by maintaining a certain level of stability and reliability in situations of profound uncertainty (in 't Veld et al., 2011, p. 10).<sup>13</sup>

### Transformation is political by nature

Politics is the main mechanism by which the deliberation in transformation takes place. It is the political arena where interests and opinions are shaped, voices and proposals are tested, and positions are negotiated. This happens in formal political institutions (parties, parliament) as well as in informal ones (media, social movements, lobbying). Influence and power are exercised to forge constituencies and majorities that support interests and positions. The constellations of interests, majorities, and positions change throughout the process, and it is hard to predict which ideas and political views will gain public support as well as when they will and by whom. Thus, politics is an integral part of any social change process and, therefore, a crucial dimension of program implementation that needs attention and response. Program implementation cannot be confined to its technical dimensions – even if the program works on predominantly technical issues. Any development program causes reactions in the system regarding power relations, the influence levels of actors, and resource allocations, and therefore it is squarely in the political domain of matters. Knowing the political structure, power relations among actors, as well as

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13 Politics in a strict sense refers to activities and actors within the formal domain of the state. Yet, for understanding the political dimension of development cooperation, a broader view of what constitutes politics is more appropriate. It includes the distribution of power and resources within a society, the assertion of interests, processes of conflict, cooperation and negotiations, as well as the way in which decisions are taken. Thus, the term “political” captures “contestation and cooperation among diverse societal actors with differing interests and power” (Carothers & de Gramont, 2013, p. 13). For a discussion on power in change processes, see Green (2016a, chapter 2).

their motivations and incentives is a precondition for maneuvering as an external advisor within a partner's environment. The concept of transformation accepts that implementation problems might have a technical base, but their political rational always has to be considered as well.

Acknowledging the function of politics in development assistance and in transformation has been proclaimed for a long time (Carothers & de Gramont, 2013; Fritz, Levy, & Ort, 2014; Deutscher Bundestag, 1995, p. 48), but it has proven difficult to translate this idea into operational work. One explanation is that a systematic consideration of the political dimension in program implementation collides with the traditional view of a program: The intention of a program was to insulate the reform from outside interferences in order to address its technical challenges. Politics was perceived as an outside risk that had to be observed, at best, but it was not considered to be something that could be managed or used to advance the agenda (Eyben, 2014, p. 81). The work on Thinking and Working Politically captures this misconception quite well in the following quote but also outlines what kind of mind-shift and skills are required to incorporate a political view into implementation. Working politically in development is easily misinterpreted as insensitive interference, as an invasion of sovereignty and a disregard for principles of ownership and endogenously driven developmental process (Leftwich, 2011).

[It] means supporting, brokering, facilitating and aiding the emergence and practices of developmental or reform leaderships, organizations, networks and coalitions, in the public and private fields, at all levels, and across all sectors, in response to, and in concert with, initiatives and requests from local individuals and groups. It means *investing in processes* designed to support the formation and effectiveness of developmental coalitions, sometimes over long periods, committed to institutional reform and innovation by enhancing not just technical skills (the conventional domain of capacity building) but also the political capacity of organizations in areas such as negotiation, advocacy, communication and the generation of constructive policy options. It may involve supporting processes which lead to "political settlements" whether these be at the macro-levels or in specific policy sectors. (Leftwich, 2011, p. 8)

Conducting political (economy) analysis (PEA) and using this information for program appraisal, design, and implementation was a first attempt to accommodate this new thinking. Several development organizations piloted approaches to incorporate political economy analysis more systematically in their work (Fritz, Levy, & Ort, 2014; Booth, Harris, & Wild, 2016). However, the effects of this effort have been marginal on how

development programs are implemented. One explanation is that the operational approaches have not changed as well, so that the program staff is obliged to follow the rules of headquarters rather than partner demands. In this case the information provided by political economy analysis can hardly be translated into operational work, as no space exists for doing things differently (Development Leadership Program, s.a.). Verena Fritz explains in her article why it took several loops to learn how to integrate the results of such analysis into daily work.<sup>14</sup>

Yet, there is another political dimension that influences the implementation of programs. Donors and development organizations formulate their values and interests in the form of sector policy or guidance papers, which at least serve as references (if not binding guidelines) for operational staff in country settings. They also influence the frame in which operations take place and how they are conducted. Shifts in donor priorities may require adaptations in the implementation of programs that are not locally-led and problem-focused.

In summary, the focus of implementation has slowly shifted from the technical to the political domain. The concept of transformation accepts that implementation problems might have a technical base, but their political rational always has to be considered as well.

### Implications of adopting the concept of transformation for smart implementation

Adopting the concept of transformation as the conceptual frame of GIZ governance operations has implications for how implementation is approached. Four points can be stated.

First, knowing that we act in conditions of transformation changes how we relate to a program. It is merely one element of support in a wider array of internal and external activities. It is hardly the main driver of – or an indispensable contribution for – change. Only multiple actions over a longer period of time will lead to transformation.

Second, implementation in conditions of transformation requires a sound understanding of the environment, details about the drivers of

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14 See Verena Fritz's contribution in this publication; see also Fischer and Marquette (2014).

change, the formal and informal institutions, and the political, social, and economic dynamics, including power relations. All of this requires analysis, instruments, and approaches that go beyond the sector perspective and take political and cross-sectoral aspects into account.

Third, to be able to address the political dimension in transformation, advisors not only have to understand the political context in which they work but need to be able to move within it in order to create scope of action for partner institutions. Hence, the importance of conducting political (economy) analysis is apparent, but it has to be current to be relevant for teams.

Finally, the concept multiplies the roles that program staff have to take on while straddling between technical, political, and managerial challenges in the attempt to support partners in their function while steering the next steps of a transformation. The case studies illustrate how program staff take up the role of technical experts; political and social analysts; organizational development advisors; conveners of new ideas; and brokers of new cooperation efforts and partnerships at different stages of the implementation.

The following section explores whether the institutional arrangement of German development cooperation can provide the conditions for GIZ governance programs to implement them in this spirit.

## 2 INSTITUTIONAL CONSIDERATIONS FOR SMART IMPLEMENTATION

### GIZ – an implementing agency for sustainable development

The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) – the German agency for international cooperation – is a limited liability company under German private law with a public-benefit corporate purpose. GIZ is owned by the Federal Republic of Germany, represented through the Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Ministry of Finance. GIZ's purpose is to promote international sustainable development and to support the German federal government in achieving its objectives in this field. BMZ and increasingly other German ministries and international donors commission GIZ to prepare, implement, and assess development cooperation measures in the field of capacity development. The division of labor between the German government and GIZ is specified in concrete terms in regulations and



guidelines, such as the Federal Guidelines for Bilateral Financial and Technical Cooperation, the General Agreement, and the joint Code of Conduct for BMZ, GIZ, and KfW Development Bank. A code of conduct regulates the working relations.<sup>15</sup> Whereas BMZ is responsible for setting policies, for commissioning, and for controlling implementers, GIZ implements these measures independently, together with the partners. The principle of joint responsibility for achieving objectives gives partners a decisive role in the planning and implementation of programs.

Since the mid-1970s, when GIZ's precursor organization was founded, several arrangements defining the commissioning procedure and delivery between BMZ and GIZ have been in operation: Originally, the logical framework was at the heart of the commissioning framework as the yardstick by which to measure the success of a program. The logical framework outlined a program's objective, purpose, required inputs and resources, expected outputs, main activities, and anticipated results and assumptions with a strong focus on fixed input and output indicators.<sup>16</sup> GIZ adapted the logical framework approach to its needs, added the problem analysis phase, and introduced ZOPP (goal-oriented project planning) as a standard tool in 1983 (GTZ [Deutsche Gesellschaft für Technische Zusammenarbeit], 1988), which was accompanied in 1998 by Project Cycle Management (GTZ, 1995, 1997). However, criticism to the logical framework approach cited that it was too rigid, linear, and mono-causal; it did not allow for necessary adjustments during program implementation; and that it focused too much on the output level rather than on outcomes. This led to the adoption of a new commissioning framework between BMZ and GIZ in 2002. The need for change was described as follows at the time: "A higher degree of flexibility for implementing projects is urgently called for because, at the core of technical cooperation, we increasingly find the support of complex social transformation processes taking place in a dynamic environment" (BMZ/GTZ [German Federal

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15 KfW stands for Kreditanstalt für Wiederaufbau (Bank for Reconstruction) and is another German implementing organization in the field of development cooperation. The KfW Banking Group includes the KfW Development Bank that implements development finance on behalf of the German government and other international donors, often in close cooperation with and complementary to GIZ's technical cooperation programs.

16 For a brief introduction into Logical Framework Analysis, see World Bank (2005) and European Commission (2004).

Ministry for Economic Cooperation and Development / Deutsche Gesellschaft für Technische Zusammenarbeit], 2006, p. 3).<sup>17</sup>

The new commissioning framework between BMZ and GIZ introduced the inclusion of a results model that outlines in detail the theory of change for achieving the stated objectives. Furthermore, a GIZ program proposal now includes a statement about which outcomes will be achieved by GIZ and the partner organization within a proposed time frame. This led to a scaling-down and more realistic formulation of program objectives and indicators. Thus, against the promise of achieving results and a joint agreement on objectives, more flexibility and discretion on how to steer and manage implementation has been granted to GIZ. This commissioning framework ensures that GIZ's implementation mandate is sufficiently broad so that it can – and must – use its discretion to reach objectives in a way best suited to the local context. Most implementation decisions are therefore taken within the local context, or at least very close to it. This allows for a high degree of adaptability to the local situation. Changing the program outcomes and core activities is possible with reasonable administrative effort and in agreement with BMZ throughout the implementation phase of a program (usually a three-year time period), if the unpredictable change dynamics in the country suggest it.

Based on the theory of change, which is developed during program appraisal, many GIZ programs are designed in a multi-level approach and target the policy (macro), the institutional (meso), and the individual (micro) levels with core measures at each level. The advantage for implementation is that, if progress is slow on one level, activities can be rerouted to a second or third level. This provides flexibility, for example by providing time to await political decisions to be taken, public opinions or majorities to be forged, and administrative obstacles or capture to be overcome – all while staying engaged and without jeopardizing the support to the overall transformation.

### GIZ's management model Capacity WORKS

In response to the shifting conceptual and institutional priorities of the organization, a new management model for shaping and steering coopera-

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17 Author translation; BMZ/GTZ (2003, pp. 3, 5, quoted in BMZ/GTZ, 2006, p. 3).

tion was developed and found its expression in Capacity WORKS (GIZ, 2015; Beier, 2015; Maurer, 2013). It, as well as the concept of transformation, translates conditions of social change into guidance for implementers. Its rationale is briefly explained in this section.

Cooperation is the cornerstone of social development, as no single actor can initiate or manage change processes. Furthermore, in order to be sustainable, change has to evolve from within a society rather than being triggered from the outside. Thus, working with partner countries in cooperation systems lies at the heart of development assistance. However, acknowledging the crucial importance of cooperation does not necessarily make the task of managing it any easier.

Difficulties stem from the different management requirements of cooperation systems compared to hierarchical organizations. Generally, organizations are centered around the provision of a good or service and are composed of a particular set of goals or interests, structures, and processes. Internal hierarchies traditionally form the basis of managing such organizations. These closed structures not only enable management in its strictest sense but require it in order to organize, design, and implement production processes. Cooperation systems, in turn, need a different form of management. They are usually based on a convergence of interests and depend on negotiations between partners on eye level to reach a majority vote or a consensus. Directive, hierarchal instructions would be most likely rejected, as they undermine the principle of engagement, which is voluntariness and common purpose.

Actors enter cooperation systems as partners, but nevertheless will follow their own goals. Thus, to jointly develop a strategy or theory of change that is supported by all partners, it is often a time-intensive but crucial exercise at the outset to ensure fruitful cooperation. Steering structures are adopted by most cooperation systems, even if they differ to those in hierarchal organizations. However, cooperation partners remain autonomous in deciding whether – and to what degree – they wish to cooperate.

Drawn from the practical experiences gained from different programs and countries over the course of six years, patterns were identified that shape fruitful cooperation. These patterns – summarized in the five “success factors” strategy, cooperation, steering structure, processes, and learning and innovation – form the basis of GIZ’s cooperation management model and can be summarized as follows:

**Strategy:** A joint strategy to achieve the negotiated objectives is the initial point for successful cooperation

**Cooperation:** Negotiation, clearly defined roles, and trust form the basis for fruitful cooperation

**Steering structure:** Agreements on how the actors involved will jointly prepare and take decisions guide the cooperation system

**Processes:** A clear understanding of which new processes need to be established or which existing processes need to be modified in order to reach joint objectives is part of successful cooperation systems

**Learning and innovation:** Cooperation partners create an enabling environment for innovation by enhancing the learning capacities of all actors involved

These five success factors together form a management model for analyzing and understanding cooperation systems and their mechanisms in a structured way. The analysis and the subsequent developed implementation strategy provide orientation in complex environments and offer a way to develop a common language shared among all partners. Capacity WORKS as a management model supports cooperation partners in articulating what they wish to achieve and how they intend to do so. Thus, by jointly interpreting the reality and developing a vision for a desirable future, a common ground for joint action is created (GIZ, 2015, p. 2).

For each of the five success factors, Capacity WORKS offers tailored tool boxes, which can serve as an inspiration in actual cooperation systems. Yet, as implementation processes are unique and context-specific, it does not attempt to provide ready-made answers to particular challenges.

Neil Hatton's article in this book<sup>18</sup> discusses the implications of a systems perspective in organizations and for their management. He also explains the rationale and the design of Capacity WORKS in more detail and highlights implementation challenges from an organizational development perspective.

### 3 QUESTIONS CONCERNING IMPLEMENTATION IN THE NINE CASE STUDIES

The outlined conceptual and institutional frame in which GIZ governance programs operate define the space and scope in which – and how – implementation takes place. In this publication, we want to review how these conditions play out in practice, and how program teams maneuver within

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18 See Neil Hatton's contribution in this book.

them. For this, the implementation challenges and processes of nine GIZ governance programs are retraced. The findings are presented in the form of case studies. Each program team was asked to reflect on their implementation process with the following five questions in mind (GIZ, 2015):

- What kinds of challenges occurred during program implementation? What did working in uncertain, unpredictable, complex, and political environments mean in your case?
- How did program teams and partners orient themselves in complex and unpredictable environments?
  - Which principles, instruments, or approaches were referred to or adopted?
  - What kind of analysis was used? How was insufficient information handled?
  - How did teams and partners learn?
- Were there tensions between achieving predefined results and adapting to changing circumstances? How were they handled?
- Which frame conditions (at the level of the development organization and in country) were conducive or hindered implementation in complex environments?
- What aspects of implementation were transferrable between contexts and countries, and what was context-specific and needed to be newly created?

The case studies of GIZ cover a wide array of countries and governance issues. All programs were shaped by context-specific dynamics and faced different challenges. The authors describe the process of moving from a plan to a program design and via implementation toward results. They reveal the implementation challenges they faced and retrace how changes occurred in specific cases, revealing contradictions, setbacks, mishaps, and power struggles as much as the opportunities, luck, encounters, and coincidences that occurred while bringing a program design into reality. Critical junctures as well as course corrections are normal in a complex change process and are explained. Furthermore, it is discussed how alliances were forged, what manipulations occurred, how informal arrangements were formed and negotiated to make them formal, and what it took to convince stakeholders of an idea or approach that was not a priority at the outset.

As an introduction, the governance themes and implementation challenges of each case study are briefly outlined.

**Liberia**, which, despite being well-endowed with natural resources, remains one of the poorest countries in the world and faces the challenge of how to turn resource wealth into sustainable and inclusive development. The case study describes how the GIZ governance program assisted the government of Liberia in improving the way it **administers mining licenses** in order to create regulating mechanisms and to cut down on corruption. It is revealed how capacity constraints and donor pressure influence implementation in a rather fragile environment. Furthermore, as the system introduced had previously been applied in Sierra Leone, the case study depicts which elements of a certain approach can be reproduced – and to what extent implementation depends on the local context.

Among many other reasons, the public administration's bureaucratic despotism was one element that triggered **Tunisia's** revolution in 2011. In accordance with Tunisia's new constitution, GIZ is supporting the implementation of the guiding principles of **democracy, decentralization, and a public administration** that is at the service of the citizens and the common good. The program described in the case study include activities such as the trainings of Tunisian officials, supporting a sector ministry in decentralization, transforming Tunisia's training center for decentralization, and fostering the involvement of young people in local politics. The case study reveals how programs have to cope with challenges that arise from political uncertainty and high public expectations. In addition, the practical relevance of joint learning and an incremental course of action are exemplified.

Supporting the reform of the **public service administration** was the aim of the GIZ program in **South Africa**. Yet, a lack of coordination and collaboration between different spheres of government and a certain attitude of "silo thinking" rendered the development of a common approach for a government-wide monitoring and evaluation system and the introduction of community media support quite challenging. The case study reveals how establishing new forms of cooperation and providing spaces for exchange can lead to a joint vision of change that shapes implementation.

The case study of **Costa Rica** traces the implementation of a GIZ program that supported the government in improving and **strengthening its monitoring and evaluation capacities**. Mistrust as well as a lack of dialogue and communication between different units and departments were some of the challenges the program faced. However, it is shown how creating space for communication and learning and (maybe more important)

how constant monitoring and feedback raised acceptance for a new and controversial policy. The case study is structured around Capacity WORKS and, thus, exemplifies to what extent the management model of GIZ provides support and orientation for implementers.

The GIZ team in **Peru** enjoyed more leeway than what is usually given to program teams. Set up as an advocacy program with the broad objective of contributing to the fight against **violence against women**, they were able to independently select their partner and choose their focus area. The team decided to explore new ways by trying to engage the private sector. Although the program was not restrained by a rigid program structure, the case shows that even moving between the intermediary objectives, alliances, and main protagonists, there were constantly new challenges, some that even threatened to make the program unviable. These challenges were overcome by equally unexpected resources – some new and unknown, some known but underestimated.

The example of the **South Caucasus** traces the process of **introducing a new administrative law** to make public authorities accountable to their citizens in Armenia, Azerbaijan, and Georgia. The approach of the three programs was similar, but implementation processes varied considerably according to the different reform dynamics within the countries. Thus, each country produced its specific critical juncture, and the case study reveals how the different programs responded to these context-specific challenges.

In **Azerbaijan**, GIZ supported the capacity-building of the national Civil Service Commission. The management and coordination of civil servant training and professional development across state bodies was provided through the development of a training strategy and the implementation of training policies and curricula. This program is especially interesting because it was carried out with additional funding from the EU with different institutional arrangements compared to those between GIZ and BMZ. The EU conditions provided a different scope to adapt elements of the program during implementation in view of local changes and increased complexities. How this affected implementation and the program as such is traced in the case study.

The case study on the **Conflict Sensitive Resource and Asset Management Program** in the **Philippines** depicts some of the challenges that program implementation faces in environments affected by violent conflicts between the government and armed non-state actors. Taking as an example the support provided to a city on the island of Mindanao from

2011 to 2014, the case study analyzes how to assist government agencies to foster inclusive and sustainable socio-economic development in a volatile conflict situation. It also illustrates what guided partners in addressing implementation challenges, such as the lack of access to a classified forest area by both GIZ and the local government due to the security situation. It shows how – despite several setbacks – mistrust among the actors was overcome.

The case study of **Indonesia** describes the challenges of establishing **financing mechanisms for climate change mitigation** that are guided by principles of **good financial governance**. It illustrates efforts by GIZ teams from different backgrounds to develop a coherent advisory approach. It focused on engaging various partner institutions with different interests regarding climate change mitigation policies and fiscal decentralization. Besides discussing opportunities and challenges within a bilateral development cooperation agency to offer ad hoc, multi-sectoral advisory services to partners, the case study also stresses its limitations within a real-time reform process in Indonesia.

Prior to the presentations of the case studies, the book presents two other articles that discuss conditions for successful or smart implementation. One is from the perspective of the World Bank capturing the PDIA and DDD discussion, and a second one is from the perspective of organizational development and discusses GIZ's management model Capacity WORKS. The findings and results of the nine case studies will be reviewed in the final chapter of this book, in which an outlook to the next steps in the debate on implementation is given.

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