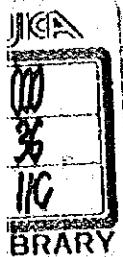


The Need for a Heightened Project-Management Emphasis on Institutional Development

March 1994

JICA LIBRARY
J 1129730161

Institute for International Cooperation
Japan International Cooperation Agency



IIC
JR
96-55



1129730 [6]

Foreword

The drive for self-reliance and sustainable development across the developing world has been accompanied by an increasingly stronger awareness of the importance of institutional development for international cooperation. That importance was reaffirmed in the set of "Principles for New Orientations in Technical Cooperation" that the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) adopted in 1991. Many aid donors have already begun integrating institutional development into their aid programs. In December 1992, the Japan International Cooperation Agency (JICA), the Ministry of Foreign Affairs and the Foundation for Advanced Studies on International Development (FASID) cosponsored an international symposium on the theme "Institutional Development in Asia." That gathering also re-emphasized the value of institutional development, and underlined the necessity of mutually sharing experiences and lessons learned thus far in the field.

In the meantime, from a project-management perspective, increasing emphasis has been placed on the need to consider actions in institution building from the project formulation stages, with the goal of ensuring that aid projects take root in the recipient country and that self-managed and -operated projects backed by aid can help place that country on a course to sustainable development. The study detailed in this paper was performed with several objectives in mind: to define what it means (from a project-management perspective) to give more attention toward institutional development, explain why that emphasis is important, and put valuable information and insights on these topics into the hands of JICA personnel.

As JICA's first-ever exploration of the project-management-related need for heightened attention to institutional development, this study had to address various issues that were still conceptually vague. For that reason, Editorial Committee Chairman Yutaka O'hama (Associate Professor, Department of Economics, Nihon Fukushi University) and his committee colleagues all faced a formidable task as pioneers in uncharted territory. We are deeply grateful to them for their hard work.

This study was primarily concerned with the objective of having people engaged in JICA-led assistance programs become more fully observant of the importance or value of actions in institutional development. Accordingly, actual methods to achieve institutional development will be topics for future study. Finally, the views expressed in this paper are these of the authors themselves; and do not necessarily represent JICA's official views.

I am hopeful that this paper's findings will enjoy widespread use and, as such, foster a heightened awareness of the need for stronger emphasis on institutional development in assistance programs. I will be satisfied, moreover, if the case studies examined in this paper contribute to a more in-depth discussion concerning approaches to institutional development suitable for use in JICA undertakings.

Kazutoshi Iwanami
Managing Director
Institute for International Cooperation
Japan International Cooperation Agency

Overview of Study

Following is an overview of the study discussed in this paper.

Objective: to define (from a project-management perspective) what it means to give more attention to institutional development and to explain to JICA officials, experts, and project coordinators why that emphasis is important.

Duration: July 1993 to March 1994

Methods: investigations of related academic literature, case studies (investigations of literature and assessments by experts actually involved in the projects examined), and discussions by the editorial committee.

Editorial Committee

Chairman

Yutaka O'hama Associate Professor, Department of Economics, Nihon Fukushi University

Members

Hiroshi Satoh Chief Researcher
Office for Research on Economic Assistance, Institute of Developing
Economics

Micheline Beaudry CIDA exchange officer

Koji Yamanaka JICA development specialist

Eri Honda Planning Department, JICA

Ieko Kakuta Medical Cooperation Department, JICA

Seiichi Koike Research and Development Division, Institute for International
Cooperation, JICA

Suzuka Sugawara Associate expert
Research and Development Division, Institute for International
Cooperation, JICA

Contributing Authors

Prologue	Yutaka O'hama
Chapter I	Suzuka Sugawara
Chapter II	Ieko Kakuta
Chapter III	Koji Yamanaka
Chapter IV	Hiroshi Satoh
Chapter V	Eri Honda

Chapter 1. An Introductory Overview

Suzuka Sugawara

Table of Contents

1.1 Desirable Aid Projects and Past Failures.....	1
1.2 Considerations for Institutional Development.....	3
1.2.1 Definitions of and Considerations for Institutional Development: Shedding Light on Unknowns and Crafting Mechanisms for Success.....	3
1.2.2 Understanding Local Social Conditions and Culture: Shedding Light on Unknowns.....	4
1.2.3 The Creation of Mechanisms for Project Implementation	6
1.2.3.1 Formulating Viable Guidelines.....	6
1.2.3.2 Building and Reinforcing Organizational Frameworks for the Institutions Responsible for Project Implementation in the Recipient Country	7
1.2.3.3 Building Closer Ties Between Project-Implementing Institutions and Related Organizations (System Building).....	10
1.3 The Rationale for and Objectives of Institutional Development	12
Selected Bibliography	16

Figures

Figure 1.1 Desirable Aid Projects and Past Failures	2
Figure 1.2 Projects Shaped by Considerations for Institutional Development.....	3
Figure 1.3 The Rationale for and Objectives of Institutional Development.....	12

I. An Introductory Overview

For quite some time, development assistance was concentrated primarily in the arenas of infrastructure development, the provision of equipment, and hardware-oriented technology transfers. As a result of their almost exclusive concern with issues in these areas, many aid projects were executed without an adequate examination of social, economic, or political conditions in the recipient regions or countries and without an awareness of the capabilities or limitations of the local organizations or institutions responsible for project implementation or management. This has given rise to sporadic instances when aid failed to provide expected benefits, when the benefits were available to only a selected few, or when projects reinforced by aid ultimately demonstrated no real progress once that flow of aid came to an end. These examples underscore the importance of having an adequate understanding not only of the material aspects of project formulation and implementation, but also of political, economic, and social conditions in the recipient country and of the ability of local institutions to put projects into effect.¹

Institutional development, as discussed in this paper, is a way of strengthening implementation frameworks by grasping societal conditions in the recipient country, with improved project performance as the ultimate goal. As such, it is a universal factor that must be given consideration, whatever the project may be. JICA has not been entirely remiss about integrating a perspective on institutional development into its own projects. On the whole, though, not enough attention has been given to the importance of adding this perspective to the scope of investigation at the project formulation and implementation stages. With that understanding, this study seeks to define what it means to give more attention to institutional development from a project-management perspective, and in general terms have JICA officials, experts, project coordinators, and other people engaged in JICA project planning and execution understand why that emphasis is so important.

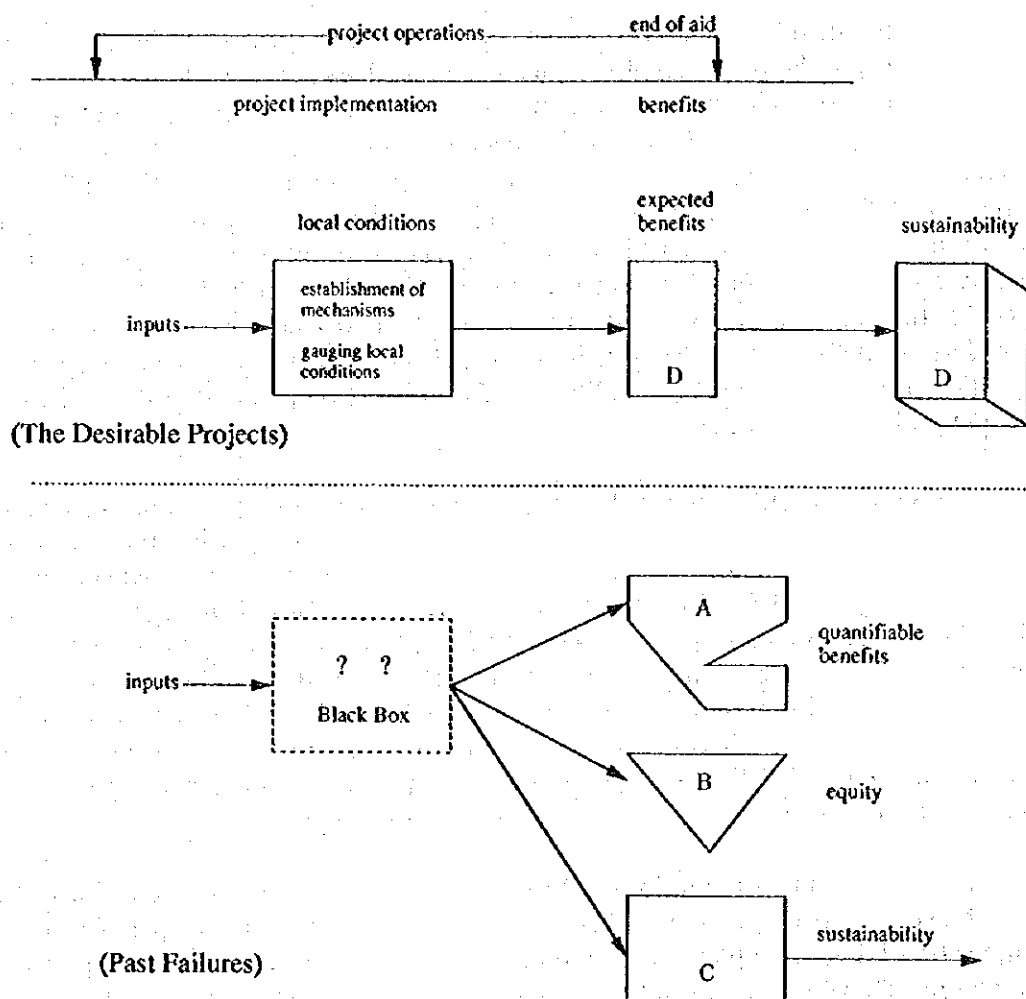
This introductory overview takes the following form: First, it provides a definition of institutional development. Next, as a background to a better understanding of the importance of institutional development, Section 1.1 gives a presentation with simple illustrations of desirable aid projects and past cases of failure. Drawing from thus, Section 1.2 explains what is implied by the task of giving institutional development more consideration. Then, Section 1.3 examines the underlying significance and objectives of institutional development.

Though this paper addresses the above issues in view of project management, its focus is limited to projects in the developing world. More specifically, the discussion is chiefly concerned with projects that have strong community participation and that will directly benefit local inhabitants: i.e., projects leading to poverty alleviation, the improvement of basic human needs, rural development, or the betterment of social conditions for women (Women in Development themes).

1.1 Desirable Aid Projects and Past Failures

Aid involves providing or transferring needed inputs (of personnel, infrastructure, information, technology, etc.) from a donor to a developing country, and is aimed at placing the recipient country on a track of self-sustained development. Projects are one form of aid. They are understood to have a specific objective or target that is to be met within a specific time frame and comprise a series of activities to that end, including the provision of certain needed inputs by the donor and the pursuit of various local ventures designed to effectively harness those inputs.²

Figure 1.1 Desirable Aid Projects and Past Failures



As illustrated in Figure 1.1, a desirable project is one in which a donor provides the needed inputs and the expected benefits accrue within the target period and remain available at least to some minimally acceptable extent even after the flow of aid has ceased. In addition to offering sustained benefits, a desirable project should conceivably foster capacity building (i.e., improving the ability of the affected organizations and individuals to deal with various problems other than those directly addressed by the project itself) and contribute to the sustained, self-propelled development of the recipient community at large.

However, not all aid projects pursued to date fit the above description. For instance, some past immunization projects were effective in supplying vaccines, syringes, and other essential inputs, but failed to generate their expected benefits due to a lack of consideration for local cultural or social factors (Figure 1.1, A), e.g., the fact that few women would bring their children to health centers staffed predominantly by men. Also, as exemplified by the green revolution in certain developing countries, there have been cases when projects were a success in quantitative terms, but their benefits accrued only to the elite classes and remained unavailable to broad cross-sections of society (Figure 1.1, B). Finally, some projects have proven ineffective after the flow of aid ceased (Figure 1.1, C), as has been witnessed with the breakdown of water pumps that received inadequate maintenance after projects to install them reached their end.³

Projects such as those just described can conceivably fail for a number of reasons, some of which are actually due to problems posed by the aid recipient. Nonetheless, donors need to reflect on the fact that failures have often resulted from the provision of needed inputs without an adequate grasp of local political, societal, economic, or cultural conditions in the recipient country.

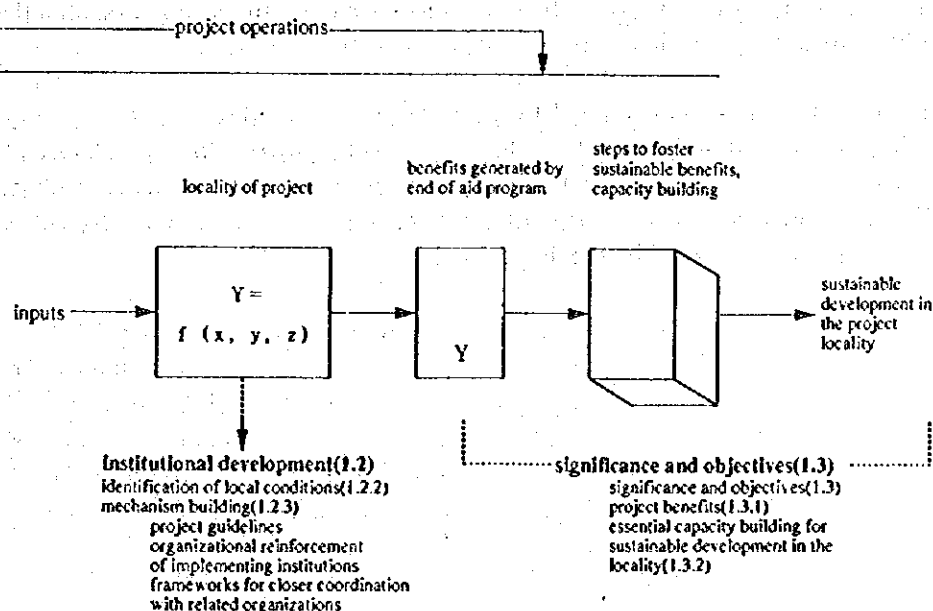
1.2 Considerations for Institutional Development

1.2.1 Definitions of and Considerations for Institutional Development: Shedding Light on Unknowns and Crafting Mechanisms for Success

Institutional development is a process that involves (i) cultivating a clearer understanding of local political, economic, societal, and cultural forces in the district or community where a project is slated for implementation; and, based on that understanding, (ii) establishing essential frameworks or mechanisms that assure the project generates expected benefits (Figure 1.2). From an institutional development perspective, the task of laying essential frameworks will involve (i) establishing rules or guidelines for project implementation, (ii) improving or reinforcing the structural capacity and managerial organization of institutions in the recipient country that are responsible for implementation, or establishing such institutions when necessary, and (iii) laying systematic foundations for closer coordination between project-implementing institutions and related organizations.

Institutional development can on occasion be a primary goal, depending on the project. However, as noted at the beginning of this Chapter, it is understood here to be a universal essential for all projects. Whatever the project objective may be, achieving expected results will demand a solid grasp of conditions in the district where the project is slated for implementation, as well as action to devise mechanisms for success—in other words, parallel considerations for institutional development during the project planning and implementation stages.

Figure 1.2 Projects Shaped by Considerations for Institutional Development



Note: Parenthetical numbers are for the headings in this Introductory Chapter.

Considerations for institutional development are explained below in line with Figure 1.2 above. First, an attempt is made to explain what those considerations actually entail. Next, short presentations are given on the identification of local conditions in Section 1.2.2, and on mechanism building in Section 1.2.3. Finally, Section 1.3 discusses the significance and objectives behind these considerations.

1.2.2 Understanding Local Social Conditions and Culture: Shedding Light on Unknowns

Studies for project formulation and implementation should not only look to questions about needed hardware or technologies, but should also examine local social and cultural factors likely to be pivotal determinants of project success. Such factors include questions about religious caste, gender, disparities in the distribution of wealth, tribal problems, political corruption, and so forth.⁴ Here, the task of examining social or cultural forces or issues will involve work to identify local mechanisms already in place prior to the provision of aid-based inputs. Developing countries usually differ from Japan in a number of ways: e.g., in terms of social or cultural fabrics, natural resources or environmental conditions, and historical backgrounds. Moreover, each district is uniquely different from the rest in some respect. It should not be any wonder, then, that projects implemented under conditions different from those in Japan typically end up having an entirely different outcome even if the furnished inputs are identical. To ensure that a project actually generates its anticipated benefits, steps must be taken to establish essential mechanisms for success by striving to formulate projects and methods of implementation that are well-adapted to local conditions. To that end, it is imperative to identify and study the conditions and cultural traditions characteristic of the local community in question beforehand.

Social assessments are one way of identifying local conditions in communities where aid projects are slated for implementation. In recognition of the heightened importance such surveys have assumed in recent years, JICA itself has issued a set of guidelines for developing project-related social assessments.⁵ Under the JICA guidelines (p. 8), "social assessments shall be utilized to identify the demographic features, social organization, and cultural attributes of the population in the locality of a project site." Furthermore, the goals of such surveys (p. 8) "shall be to examine ways of 'adapting' project content to the local social climate of the target site and explore methods of project modification to that end, as necessary." In other words, to aid the search for project formulation and implementation strategies that are well-adapted to local conditions, it is essential that those conditions be identified through preliminary social assessments.

The emphasis here has been limited to the value of conducting social assessments as a means of identifying local social and cultural conditions around a project site. Readers with an interest in the actual themes and methods for such surveys are encouraged to peruse the above-mentioned JICA guidelines. To provide a clearer image of what social assessments tend to examine, Box 1 provides a list of some subjects covered by the assessments.

Box 1 Some Subjects Covered by Social Assessments (excerpted from the preliminary survey for the West Central Luzon development program)

Survey Subjects

1. Economic, political, social, and cultural attributes of local community

1.1 Economy

Primary product

Systems for distribution and merchandising of primary product inside and outside local community

Organizations economically active locally and elsewhere

1.2 Politics

Local political leaders and groups

Organizations politically active locally and elsewhere

Mechanisms for community participation and decision making

1.3 Society

Demographics of local community (in terms of gender, occupation, schooling, etc.)

Quality of life (satisfaction of basic needs) for different social strata

Distribution of economic wealth and political power, by social stratum

Socially active organizations or groups

Modes of communication inside and outside the community

Mobility of local inhabitants

1.4 Culture

Cultural traditions or practices unique to the local community

Locally observed codes of conduct

Local customs for wedding or funeral ceremonies

Culturally active organizations or groups

2. Social structure and access to local resources

Principal local resources

Forms of resource ownership and utilization; availability of existing resources

Community organizations engaged in resource management and their frameworks for operation

Distribution of benefits and modes of reinvestment

Societal and regional reach of community organizations

3. Local attitudes and capabilities with respect to development

Past development programs and their effectiveness

Forms and methods of community participation in past projects

Local attitudes about development and reasons for those attitudes

Level of technology utilized for activities in daily life

Inhabitants' level of skill to identify problems and to plan programs

Box 1 -continued-

4. The needs of local inhabitants, and their desire and terms for participating in projects aimed at fulfilling those needs

Development needs and problems acknowledged by community members

Programs for problem solving proposed by the community members

Actual methods, conditions and requirements for members' expression of such needs

Anticipated impact of program implementation, and measures to deal with that impact

Inclination of local inhabitants to support or participate in development programs

Survey Accomplishments

1. Development programs were formulated to reflect local inhabitants' needs.
2. Transparent frameworks were set up for joint program implementation.

Chapter 2 discusses an aid project for small-scale irrigation systems in the Philippines. Prior to the implementation of that project, steps were taken to study 47 local irrigation cooperatives already active, thus shedding light on several culturally rooted factors considered pivotal to successful irrigation system maintenance and operation in that country. Utilizing a cultural perspective in this manner to identify determinants of success in a particular activity will likely be of instrumental value in preparing locally adapted guidelines for aid projects and finding ways to reinforce frameworks for project implementation.

1.2.3 The Creation of Mechanisms for Project Implementation

To ensure that the expected benefits of a project are forthcoming, the next thing that must be done after achieving an adequate grasp of local conditions is to establish suitable mechanisms for implementation. From an institutional development perspective, this step will involve (i) working out locally viable guidelines for project implementation, (ii) establishing or strengthening the organizational foundations of institutions responsible for project affairs in the recipient country, and (iii) cultivating closer ties between those institutions and other, related organizations (system building).

1.2.3.1 Formulating Viable Guidelines

The guidelines being advocated here are those essential to the implementation, management, and operation of a project so that it will achieve its goals. That is to say, such guidelines will be helpful in delegating responsibility for acquiring the materials and technologies needed for project success, in selecting procurement strategies, in allocating responsibilities for specific actions (role-sharing arrangements), in distributing project costs and project-derived benefits, and even in dictating procedures for modifications to the guidelines themselves, if and when that need should arise. In other words, the guidelines will provide everyone engaged in project affairs with a necessary code of conduct designed for the attainment of project goals. Such guidelines should be integrated into the plan of operations for a given project, but only with the express approval of all individuals and groups involved in the project's affairs. Needless to say, these guidelines must be devised for several

different levels⁴e.g., for undertakings by JICA and its counterpart ministries or the agencies in the recipient country, and for undertakings at the local level. Furthermore, they must have the approval of all parties involved. Project guidelines will be useful in defining suitable frameworks and operational philosophies for the project-implementing institutions discussed later in this section.

It is crucial to bear in mind that project guidelines should be adapted to the needs of the local community in which the project is slated, and on the basis of adequate attention not only to the material or technical dimensions of the project itself, but also to the local political, economic, societal, and cultural forces in play and the ability of organizations within the recipient country to actually put projects into effect. Actually, the process of establishing such suitably adapted guidelines will include continuous revision and alteration: from the earliest stages of project formulation and planning all the way up to and including the final stages of implementation. Strategies of implementation considered to be the most effective method of achieving project goals under social settings prevalent in Japan cannot easily assure that a given project will be sustainable after the flow of aid has come to an end unless those strategies are accepted by and take root in the local community where that project is targeted. In project localities populated by a mixture of different ethnic groups or distinguished by wide class gaps in assets or income, project operations could conceivably end up benefiting the dominant group or class, with practically none of the benefits reaching those groups that need assistance the most, unless local social circumstances are given proper attention and frameworks for the participation of disadvantaged groups are effectively integrated into project plans at the outset. Moreover, in Islamic countries and other areas of the world where women face constraints on their participation in society, it will be important to thoroughly weigh cultural factors when exploring implementation strategies for projects that include women among the targeted beneficiaries.

Fashioning well-adapted guidelines is just one of the steps toward the establishment of mechanisms that will contribute to improved project effectiveness. In taking that step, however, as noted earlier, it will be important to look beyond the hard technical or material dimensions and, moreover, strive for a set of guidelines that reflect careful attention to the social, political, economic, and cultural forces at work in the community where the project in question is slated. Incidentally, projects that demonstrate this level of consideration for issues in institutional development will not be amenable to universal strategies of implementation. Instead, efforts must be made to come up with customized strategies that are shaped by a strong awareness of local community circumstances.

1.2.3.2 Building and Reinforcing Organizational Frameworks for the Institutions Responsible for Project Implementation in the Recipient Country

Studying institutions responsible for project implementation, and pursuing measures either to bolster their management or organizational viability, or to create new organizations outright, are also important, and together count as the second step toward the fabrication of mechanisms for improved project effectiveness.

Those agencies or organizations in the recipient country with which JICA experts on local assignments have prime contact during the pursuit of their project-related activities are considered here to be the institutions responsible for project implementation. For experts engaged in research projects, the principal contact will typically be a university-affiliated research institute or laboratory. Likewise, the state or provincial offices of the ministry of agriculture will usually be the chief points of contact for experts involved in local programs for the extension of new farming techniques. Similarly, a subdivision of the health ministry will have jurisdiction over national projects to control malaria. Conversely, for development projects at the village level, the local community center will often be the primary public agency to deal with.

These institutions play an instrumental role in running projects on the basis of established operational guidelines and in monitoring them to determine whether they have actually been implemented in accord with such guidelines. In addition, they are positioned to modify the guidelines to fit changed circumstances, and are essential because of their ability to pool their experiences and assume an active role in future ventures.

However, in countries saddled with serious bottlenecks of various kinds, it is difficult to visualize such institutions as having the necessary financial resources, human capital, facilities, or skill to fully handle all the affairs of project operation and management. For that reason, it seems essential to have an understanding of their actual capacity at the outset and shed light on the difficulties they face in the arena of project implementation. Steps must then be taken to identify areas in need of reinforcement and to incorporate capacity building measures for improved management into project plans. Should too many areas be deemed in need of reinforcement, cost considerations could lead to the decision to create an entirely new organization or agency with the sole mission of aid project management or operation. In that event, the task of institution building must be given serious study. Efforts in organizational reinforcement or capacity building of existing institutions should be tried first; despite their problems or shortcomings, they have already demonstrated an ability to perform useful social functions of some kind. Building new institutions is an undertaking that demands special care.

Serious problems with project participation or the distribution of project benefits could emerge unless the above-described institutional assessments and resulting measures in organizational reinforcement or institution building are effectively integrated into project plans. For instance, funding shortfalls could prevent an institution from running project facilities, or projects could end up carried to the implementation stage without a clear knowledge that the responsible institutions in the recipient country are under the control of a particular special interest group. Institutional evaluations and consequent steps in organizational reinforcement or institution building are indispensable to the objective of boosting project effectiveness.⁶

Though the specifics of institutional evaluations will not be discussed here, Box 2 provides a list of sample questions for consideration.

Box 2 A Sampling of Questions for Consideration in Institutional Evaluations

1. Are project objectives congruent with the institution's own objectives and activities?
2. What relationship, if any, is there between the institution and the target group?
 - a. Are they antagonistic to each other?
 - b. Does the institution have a clear understanding of the target group's situation? Is it well-disposed about developing an understanding of the group's problems?
 - c. How do people in the target group perceive the institution?
3. Does the institution have adequate or suitable financial resources, human resources, facilities, etc. for project implementation?
 - a. Is its budget for implementation large enough?
 - b. Is it capable of maintaining a budget level essential for implementation?
 - c. Does it have, or is it capable of acquiring, suitable or adequate facilities essential for implementation?
 - d. Is it staffed by personnel with the skills and expertise essential to the fulfillment of its duties in the area of project implementation?
 - e. Are its staffers motivated?
4. Does the institution have a structure suited for a role in project implementation?
 - a. How is it organized at present?
 - b. Has it set up any posts specifically for the performance of duties in project implementation? If so, what are they?
 - c. What kind of managerial chain of command is in place? Is it suited to the affairs of project implementation?
 - d. Do posts engaged in project implementation affairs operate on the basis of transparent role-sharing arrangements?
5. Are the institution's managerial strengths or operational philosophy well-suited to a role in project implementation?
 - a. Does it have clear objectives, and do its employees share those objectives?
 - b. Does it have the leadership to push through with its duties in the arena of project implementation?
 - c. What decision-making process does it employ?
 - d. Are communications and the flow of information between different posts smooth?
 - e. Who is in charge of coordinating views, and how do they do that?
 - f. What operational philosophy does the institution observe?
 - g. Are there any cultural or social influences (including interpersonal ties) on management (e.g., preferential treatment for people of certain ethnic backgrounds, or limitations on the employment of women)?

Chapter 3 presents a case study of institution building in Ghana. Several social factors are considered to blame for the poor business efficiency that plagued a newly established center for irrigation research: actual working conditions, such as inadequate facilities and low salaries, and the philosophy of management and operation, such as an underdeveloped management framework, vaguely defined staff roles, and ethnic discrimination. This Chapter discusses measures that were drawn up to address these issues and boost the center's efficiency.

1.2.3.3 Building Closer Ties Between Project-Implementing Institutions and Related Organizations (System Building)

Establishing locally adapted guidelines and reinforcing or building new institutional structures for implementation will not be enough to ensure that a given project accomplishes its expected goals or effectiveness. Many organizations will be involved in the implementation process, including collaborating organizations and those at levels of the institutional hierarchy both higher and lower than the institution directly responsible itself. Therefore, unless steps are taken to establish desirable role-sharing arrangements among all these institutions, the implementation process could suffer setbacks, including poor flows of essential materials, equipment, or information. Local conditions could be in a state of flux while the implementation process is under way. Accordingly, there must be a preparedness to accommodate that change through adjustments not only on the logistics front, but also in terms of modifying project guidelines or even the functions or structure of the implementing institutions themselves. To keep projects running on a sustained basis, these adaptations or alterations should be pursued as necessary in response to feedback from continuous monitoring of relevant local trends. Needless to say, the institutions responsible for implementation must have the capacity to adapt to changing conditions. On many occasions, though, they will not be capable of accommodating change on their own. In such instances, it will be necessary to have an expedient set of collaborative arrangements with other institutions or organizations (one goal of system building). Such arrangements must involve steps to identify the organizations that will participate in the project, define and coordinate roles and activities among these organizations, and establish suitable relationships so that each organization understands its role and lives up to its responsibilities.

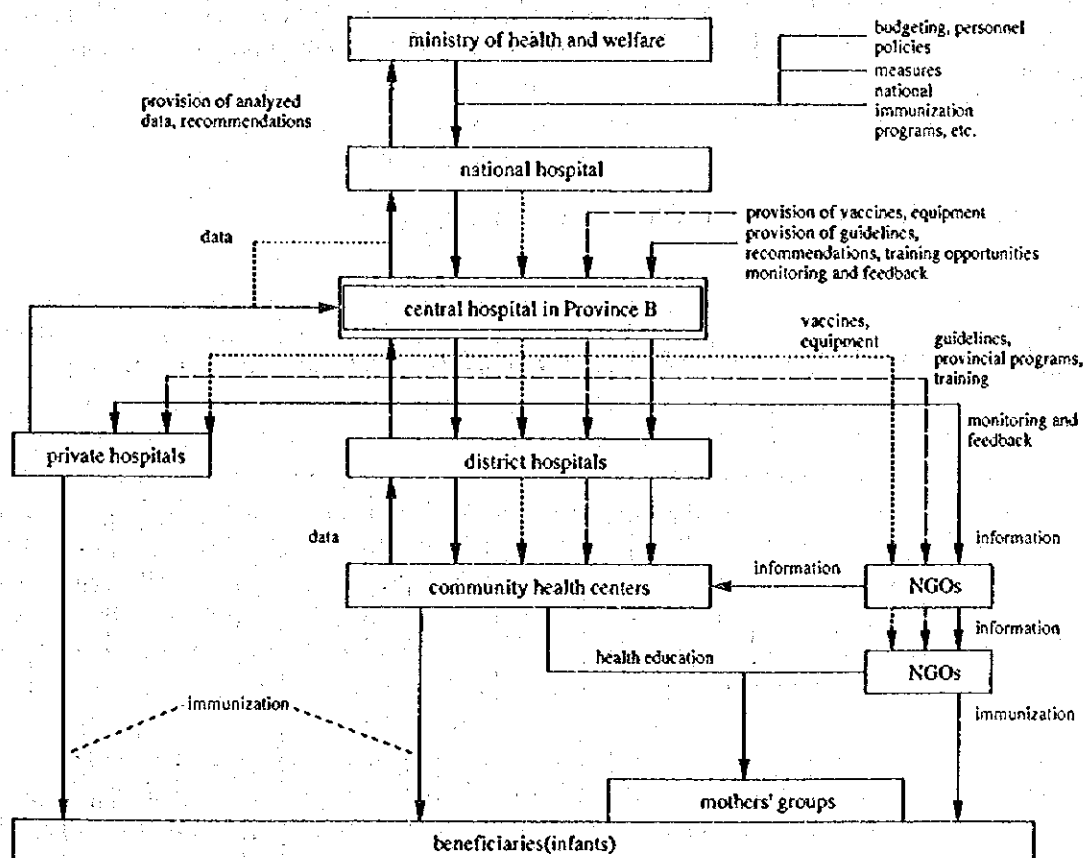
Naturally, building better ties between government institutions and other organizations demands that one have an understanding of who is actually involved in a given project in the first place. Involved organizations exist on many levels, including the implementing agency within the government ministry with jurisdiction and all groups below it on the institutional ladder, as well as organizations established in the locality of the project or within the target group. In other words, the scope of activity will extend from the national level on down to the regional, local, and village-group levels. In addition, just as there are district-level administrative agencies of the central and local governments, agricultural and fishery cooperatives, and various other formal groups with clearly defined organizational structures, objectives, operating strategies, and charters, there are also numerous informal organizations with less binding power, including neighborhood cooperatives and mothers' groups, who are typically prepared to participate in project affairs should the need arise. What is more, for all the administrative organs in place at different levels of the public sector, there are also various profit-oriented private-sector organizations as well as not-for-profit nongovernmental organizations (NGOs).

After identifying which of the above types of organizations will be involved in project-related activities, it will be necessary to explore the primary roles they should be expected to assume if the project is to be sustainable and effective. Next will come the task of defining suitable relationships for participating organizations and determining how they should share material resources, personnel, and information. At that stage, attention must be given to the creation of frameworks that allow for a desirable flow of material and information. System building in this manner to foster improved relationships between the institutions and organizations involved will count as the third step toward the creation of mechanisms for improved project effectiveness.

Box 3 An Example of System Building for Immunization Projects

An expert is assigned to a provincial hospital in Developing Country A for the purpose of putting together and implementing an immunization project. In this case, the central hospital in Province B has jurisdiction. The project itself will be aimed at raising the immunization coverage for infants in Province Y from x to y percent over a five-year span, lowering morbidity in turn.

To improve project effectiveness, it will not be enough to pursue efforts in organizational strengthening at the provincial hospital alone: that is, by acquiring adequate budgets, facilities, and personnel or bolstering the management-oriented capacity of the institution through training programs or by stationing personnel in essential posts. The health ministry and national hospital must be prepared to furnish essential vaccines and equipment, immunization strategies, and guidance on a continuous or timely basis, as warranted. Furthermore, as the institution with responsibility for immunization programs in its own province, the central hospital in Province B must be prepared to supply essential materials, information, advice, and training opportunities to personnel in district-level public hospitals or health centers under its jurisdiction as well as to private hospitals and NGOs engaged in other immunization campaigns.



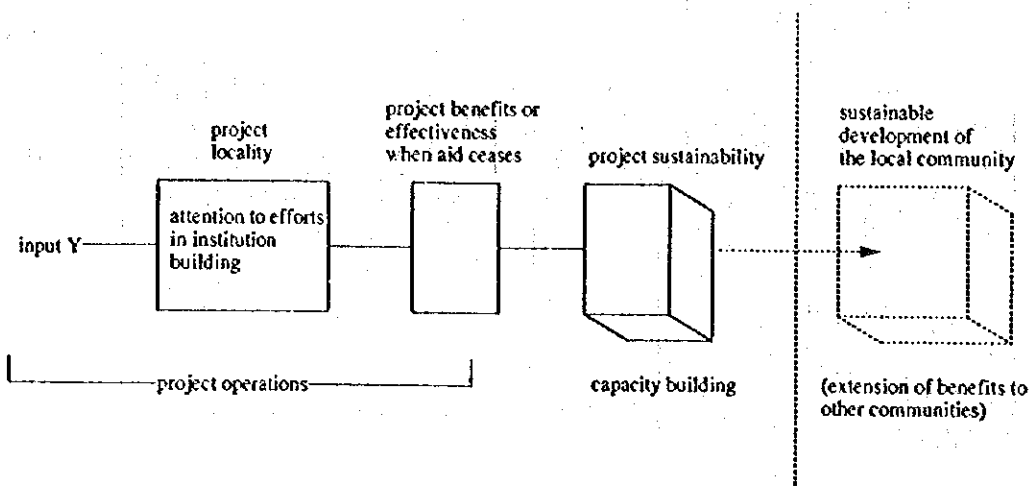
In addition to this flow from the top down, low-level agencies or collaborating organizations will need to supply the provincial hospital and higher institutions with data on the number of immunized infants, immunization coverage, and morbidity-related trends if project effectiveness is to be better gauged. That data will provide the basis for measures aimed at improving the effectiveness of immunization campaigns, e.g., by leading to changes in project implementation strategies, revisions to regulations on vaccines in use, or new opportunities for training. Establishing systems or frameworks in this fashion for a freer flow of valuable materials and information between participating institutions or organizations can be expected to facilitate a faster response to problems that arise and bolster the sustainability of immunization projects in general.

In the Sections above, I have attempted to provide an explanation of what it means in real terms to pay closer consideration to the demands of institutional development. Needless to say, drawing up guidelines has long been a standard procedure for aid projects. In most cases, though, that process has been focused almost exclusively on technical issues or the provision of funding, and too limited in its attention to societal conditions in the recipient country. Of course, some projects have incorporated a focus on organizational reinforcements or system-building ventures; on the whole, though, most seem to have been shaped by the attitude that organizational relationships or institutional shortcomings are problems that the recipient itself must deal with.

Showing consideration for institutional development is, therefore, a way of demonstrating a more positive commitment to cooperation in areas where aid recipients were once expected to act on their own. That consideration reflects the realization that many developing countries troubled by bottlenecks of various kinds will find it difficult to strengthen their institutions or pursue better organizational ties even if they are adequately aware of the importance of helping themselves in this way. The increased importance given to issues in institutional development also highlights a transition in the nature of the inputs supplied through aid programs. In other words, though concerns about capital, equipment, technology and other "hard" issues still command much attention, emphasis is increasingly being placed on "soft" factors as well: the information, know-how, and organizational management skills essential for the creation of mechanisms that will help projects attain their expected effectiveness.

1.3 The Rationale for and Objectives of Institutional Development

Figure 1.3 The Rationale for and Objectives of Institutional Development



As mentioned several times in Section 1.2, the primary rationale for placing more emphasis on issues in institutional development is improving overall project effectiveness in terms of feasibility, equity, the level of community participation, and sustainability.

That heightened emphasis, however, is important for other reasons as well. To be sure, the second key rationale has to do with improving the ability of the recipient to move onto a self-sustained development course. Implementing projects that incorporate an institutional development focus will enable the recipient to strengthen its institutions, nurture a more desirable set of organizational relationships, and bolster its capacity to deal with project-related problems or changing circumstances.

The institutions and individuals engaged in project affairs will of necessity engage themselves in a process of trial and error if they are to come up with locally adapted project guidelines as well as adapt their projects to changing circumstances. That process, however, will in turn contribute to headway in the arena of capacity building by honing the ability of personnel engaged in project ventures to deal with problems and changing conditions as they arise. Experience amassed through trial and error by the implementing institution will be of immense educational value to collaborating organizations. Such experience can be harnessed for similar projects in the future to enhance their effectiveness. The benefits, of course, will reach beyond improved effectiveness at the project level; by accruing to the local community, they will improve the recipient's ability to gauge the circumstances of local inhabitants, deal with problems they face, and place itself on a self-sustained development track.

To reiterate, projects with an institutional development emphasis will reinforce the ability of the implementing institution and local inhabitants to better deal with problems and changing circumstances, and empower local inhabitants to work on new projects aimed at fulfilling other needs. Such an emphasis in the planning and implementation stages can be expected not only to enhance the effectiveness of each project undertaken, but also to have a ripple effect on the ability of the aid recipient to deal independently with its own problems (capacity building). In other words, it will help the recipient heighten its potential for sustainable development.

The foregoing sections sought to provide a simple description of projects with an emphasis on institutional development, and why it is important. Chapters 2 and 3 strive to improve the reader's understanding of several topics already explored in this introductory overview by elaborating further with actual case studies.

The Philippines case study taken up in Chapter 2 highlights the importance of examining local organizational structures and cultural factors before project implementation. The case study itself looked at 47 local irrigation cooperatives operating in the Philippines, and discovered that their operational success depended not only on technical factors, but also on the organizational features of the cooperatives that run them. Though it notes that the average Filipino is not strongly devoted to intangible organizational structure, the case study also points out that uniquely Filipino ties of a leader and indebted followers are reflected in the power structure and operation of those cooperatives that have proven successful. It further suggests that the members of such cooperatives are highly homogeneous in their personal character. These points effectively underscore the value of examining organizational factors before project implementation. Indeed, to identify locally suitable operating philosophies, it is important to have an understanding of the operating philosophies of organizations engaged in project activities that are currently running their affairs in an effective way.

JICA experts were involved in the institution-building stages for the establishment of the Ghanaian irrigation development center that is the subject of the case study taken up in Chapter 3. That study highlights the difficulties faced not only in acquiring space and refurbishing structures for the center, but also in uncovering the root causes of its inefficient operation and finding solutions aimed at boosting its efficiency. The study examines not only the internal organizational problems that already existed at the time of establishment, but also the domestic cultural, social, and economic factors influencing the center's organization as well as the relationships the center had with its sister organization, the public Ghanaian irrigation development authority, and with Ghana's Ministry of Agriculture. The discussion touches on the participatory management strategies that were applied in calling together all center personnel for meetings during the institution-building stage, and on the way problems were dealt with by JICA experts and local officials through repetitive trial and error.

The irrigation center still faces an array of problems, all demanding effective solutions. As such, it probably cannot yet be termed a success. On the brighter side, it is clear that in working side by side

with local personnel, JICA experts assigned to the institution-building and operational stages of the project did contribute to the ability of Ghanaians to run their own organizations and to the potential for lasting project sustainability.

As noted earlier, this introductory overview aims chiefly to explain what heightened attention to institutional development should entail, and why that attention is vital. As such, no attempt has been made to discuss any single issue for study in substantive detail. Also, I have not addressed a number of issues and methodologies that demand serious study for inclusion in actual projects from an institutional development perspective, for instance, how to strengthen institutions whose problems are known, or to what extent JICA experts can or should be involved given current JICA frameworks and the issue of interference in the internal affairs of developing countries. Though these questions are briefly addressed in the final recommendations made by this paper, they will likely be major issues for future study, along with the task of overhauling implementation frameworks.

End Notes

1. Such observations have often been a topic for discussion at DAC gatherings. The importance of institutional development has been underlined in the "Principles for New Orientations in Technical Cooperation" adopted in 1991.
2. Projects as discussed here are of a more broadly defined variety than what JICA terms "project-type technical cooperation" usually bundles together the overseas assignment of experts, training programs in Japan, and the provision of equipment and supplies.
3. For more examples of this kind, see the Cernia and Uphoff works listed in the bibliography.
4. Due to the influences of caste (particularly in South Asia), gender, social class, or tribal affiliation (particularly in Africa), access to and control of resources and information vary significantly throughout the developing world. In many cases, attention to such social factors can have a major impact on project outcome.

Selected Bibliography

Cernia, M.M. ed., **Putting People First: Sociological Variables in Rural Development**, World Bank Publications, Oxford University Press, Oct. 1985.

CIDA, **"CIDA Support of Capacity Development: A Synthesis,"** May 1993.

CIDA, Social and Human Resource Development Division, **"Institutional Development's Contribution to Sustainable Development,"** Apr. 1993.

Dorcet, P., **"Institutional Development: Definition and Key Features,"** (CIDA), May 1992.

Goldsmith, A.A., **"Institutions and Planned Socio-economic Change: Four Approaches,"** Public Administration Review 52:6, Nov.-Dec. 1992.

International Development Center of Japan, **"Fundamental Study for the Formulation of Sector-Specific Aid Guidelines: Participatory Development,"** Mar. 1993.(in Japanese)

Israel, A., **Institutional Development: Incentives to Performance**, World Bank Publications, Johns Hopkins University Press, Oct. 1987.

JICA, Social Development Study Department, **"The Formulation and Study of Guidelines for Sociological Assessments in Development Surveys, Final Report"** (Unabridged Edition: Social Development Guidelines), Sept. 1992.(in Japanese)

JICA, Social Development Study Department, **"Philippine West-Central Luzon Development Program Survey: Preliminary Survey Report,"** July 1993.(in Japanese)

JICA, **"Documentation for Fiscal 1993 Project Leaders' Conference,"** Feb. 1994.(in Japanese)

Ministry of Foreign Affairs, JICA, FASID, **"Sharing Experiences in Technical Cooperation: Institutional Development in Asia,"** Dec. 17-18, 1992.(in Japanese)

Nagamine, Haruo, **"Regional Development in the Third World: Concepts and Methods,"** Nagoya University Press, Aug. 1985.(in Japanese)

Uphoff, N., **Local Institutional Development: An Analytical Sourcebook With Cases**, Kumarian Press Library of Management for Development, 1986.

U.S.A.I.D., "Effective Institutional Building: A Guide for Project Designers and Project Managers Based on Lessons Learned for the AID Portfolio," AID Program Evaluation Discussion Paper No. 11, Mar. 1982.

Watanabe, Tatsuya, "A Study of Poverty Alleviation-Oriented Forms of Participatory Development in Developing Countries," as contained in the Report of Research Findings on Official Development Assistance, Fiscal 1992, Mar. 1992.(in Japanese)

Yogo, T., and O'hama, Y., "A Conceptual Sketch on the Self-organizing Capabilities and Endogenous Development Mechanism of Local Communities," discussion note, 1993.

JICA