

FRR



FRR – Renewing Public Sector Agencies

Growing expectations, coupled with diminishing resources, present tough challenges for all public sector agencies, but particularly those in transition and developing countries. In our work world-wide FRR helps governments achieve their policy objectives by revitalising ministries, departments, commissions, regulatory authorities and other public agencies.

THE CALL FOR QUALITY

Everyone wants a responsive public sector, offering effective service delivery and high levels of performance and accountability, with staff that are honest, professional, fairly paid and reliable. Too often however, state agencies are weak organisations, insufficiently resourced and bound by outdated, bureaucratic operating models. For employees working in these organisations, there is uncertainty, frustration, and demoralisation.



Minister and MPs on a fact finding mission, identifying realistic alternatives

SO WHAT CAN BE DONE?

In FRR's experience, three things - simultaneously:

- 1 Sustain the reform effort, even in the face of setbacks.
- 2 Design and implement sound policies, so that agencies do the "right" things.
- 3 Tackle the organisational aspects of reform and the need for fundamental change, within a governance, institutional and political context.

KEEPING THE FAITH - THE NEED FOR A GOOD GOVERNMENT

All countries need, and all citizens deserve, good government. The fact that this may be difficult to achieve is no reason to give up, or slow down, the drive for more effective public services.

A defining lesson from the 20th century was the value of "mixed model" economies – which balance effective government with a healthy private sector.

Getting the right mixed model is particularly important in the natural resources arena. Sectors such as forests, fisheries, land and water deliver services and resources that everyone can share: jobs, incomes, productive and healthy environments, and biodiversity.

Essential roles for government include policy design and implementation, economic and social regulation of the private sector, environmental protection, revenue collection, security and justice.

GETTING THE POLICIES RIGHT IN THE FIRST PLACE

Whatever the role of the public agency, it must do the "right" things. It makes no sense for agencies to continue implementing and enforcing bad or inappropriate policies.

Good policies can transform countries. Without them, development is stifled. Some countries' policies were appropriate 20 years ago, but no longer work today with higher populations and globalised trade. Some policies are simply bad; for example, timber pricing that undervalues tropical forests, ignores environmental values, threatens livelihoods, squanders tax-raising opportunities and encourages over-logging.



MAKING REFORM SUCCEED

While every public agency is unique, many suffer from the common organisational ailments of: uncertain and insufficient funding, overstaffing, too-low salaries, promotion based on patronage, inability to retain finances, skills shortages, political interference and flawed cultures (corruption, moonlighting). Decentralisation reforms can be an additional challenge.

To succeed, interventions need to be **comprehensive enough, radical enough and appropriately managed.**

Comprehensive change has to go beyond mere organisational restructuring. In the UK, for example, rigorous functional analysis challenged the need for each public service activity - leading to fundamental reform of departments, the creation of executive agencies and, where appropriate, commercialisation.

The depth and speed of change that is possible will vary (Figure 1). Following a crisis be it political, fiscal, or economic, reformers may have an opportunity to implement radical reform, sometimes very quickly. However, if there is no crisis, such an approach may be political suicide.

More commonly, though, reforms must be slower and more incremental, but should avoid the trap of being merely superficial and shallow.

"Tame" reforms - organisational reshuffles, soft budget constraints, weak performance systems, and much capacity building - often achieve little and fail to address the underlying problems.

Much depends on navigating reforms through the real world. Change is tougher where vested interests will lose out and insiders may oppose the strengthening of public agencies, the introduction of good policies and more equitable sharing of wealth and benefits.

ALL THIS MEANS THAT:

- Critical policy changes have to be prioritised and sequenced, as each may need to be coaxed into existence (through stakeholder consultation, political negotiation and legislative consent).



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- Civil society demand for change has to be encouraged and broadened, moving improvements in governance and transparency to centre stage.
- A wide range of constituencies needs to be engaged, including local governments, non-governmental organisations and Parliamentarians.
- Reforms must be tailored to the circumstances and interventions must be flexible. Blind adherence to blueprints will not work.
- Change in sectors with valuable natural resources and well-entrenched vested interests will be more contested.
- Social and welfare reforms are essential, but for development to be sustained, reforms also need to tackle the barriers to economic growth, and encouraging broad based wealth creation and value-adding enterprise.

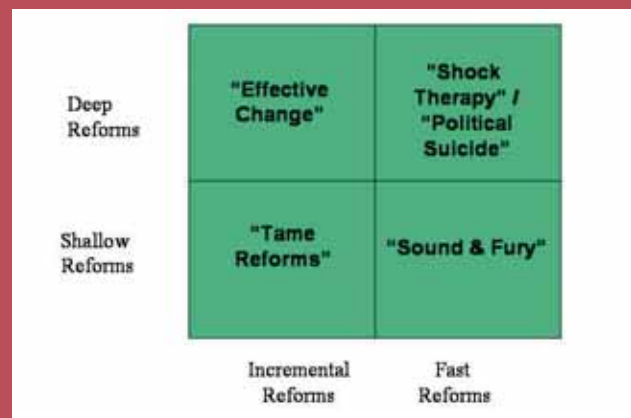


Fig 1

WHY FRR?

FRR offers a proven track record in the key skills needed for renewing public agencies:

- The design of programmes that take a practical, comprehensive and coherent approach to reform.
- The creation of appropriate policies for the benefit of all.
- Understanding of the processes and instruments of change: including organisation redesign, corporate governance and accountability, financial management systems and human resources management.
- Communication and engagement strategies that build coalitions for reform.