



DRIVERS OF CHANGE

Donors are good at identifying *what* needs to be done to improve the lives of the poor in developing countries. But they are not always clear about how to make this happen most effectively. DFID is looking for ways of improving its knowledge through an approach called Drivers of Change. A Drivers of Change team in Policy Division has led the work in close collaboration with country offices and a number of research centres and consultants.

This note explains the Drivers of Change approach and the impact it is beginning to have on DFID's policies and programmes.

What are 'Drivers of Change'?

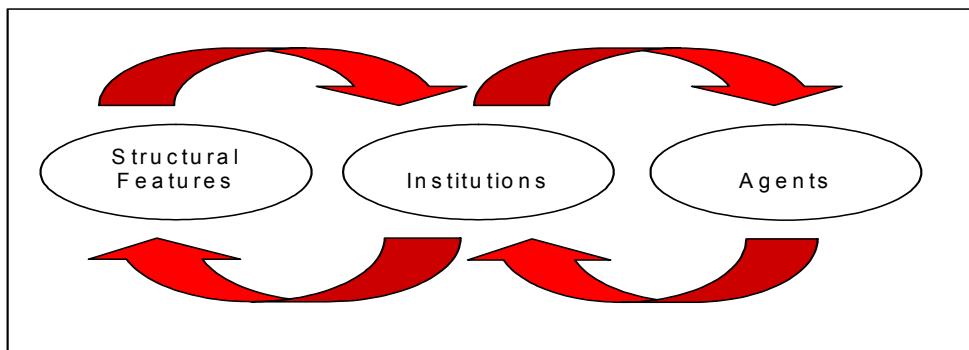
Typically, donors have sought to bring about change through technically sound programmes, supported in country by individual champions of reform or change. Increasingly the importance of understanding the underlying political systems and the mechanics of pro-poor change has been acknowledged. In particular the role of institutions – both formal and informal, and underlying structural features is being recognised. The Drivers of Change approach has sought to incorporate each of these components, and to better understand the interaction between them. A conceptual model has been developed and a number of terms defined:

- *Change* includes negative as well as positive change.
- *Agents* refers to individuals and organisations pursuing particular interests, including the political elite; civil servants; political parties; local government; the judiciary; the military; faith groups; trade unions; civil society groups; the media; the private sector; academics; and donors.
- *Structural features* includes the history of state formation; natural and human resources; economic and social structures; demographic change; regional influences and integration; globalisation, trade and investment; and urbanisation. These are deeply embedded and often slow to change.
- *Institutions* include the rules governing the behaviour of agents, such as political and public administration processes. They include the informal as well as formal rules. Institutions are more susceptible to change in the medium term than structural features.

Agents can affect structural features and vice versa. However the impact of one on the other is mediated through institutions as illustrated below¹. This leads to the conclusion that institutional performance is important to understanding change

¹ Some of the conceptual ideas outlined were developed for DFID by Oxford Policy Management.

processes and how they will impact upon the poor. For this reason DFID's Drivers of Change analysis focuses on formal and informal rules, power structures, vested interests and incentives within these institutions.



What is the Drivers of Change Approach?

Drawing on the work of others, including that of other donors, the Drivers of Change team has concluded that a single blueprint approach to Drivers of Change analysis is inappropriate. Instead, country offices have been encouraged to ask themselves a structured set of questions about the dynamics of pro-poor change, loosely grouped into one of six levels:

1. Basic country analysis – covering the social, political, economic and institutional factors affecting the dynamics and possibilities for change.
2. Medium-term dynamics of change – covering policy processes, in particular the incentives and capacities of agents operating within institutions.
3. Role of external forces – including the intentional and unintentional actions of donors.
4. Link between change and poverty reduction – covering how change is expected to affect poverty and on what time-scale.
5. Operational implications – covering how to translate our understanding into strategies and actions.
6. How we work – covering DFID's organisational incentives, including those promoting or impeding the retention of country knowledge.

These levels and questions have been tested and are being refined through individual country studies led by country offices with the support of the Drivers of Change team. Most offices have commissioned inputs from external consultants in the form of specific studies or literature reviews. Increasingly however, existing contextual knowledge found within country offices is being used more effectively. And studies are increasingly involving national and international staff, often through the use of structured workshops. Initial country studies have focused on level 1 questions, with follow-up studies focussing on the remaining levels.

In addition to the individual country studies and the resulting reports, a number of services and products have or are being produced. These include:

- A range of practical 'how to tools' providing advice on process and substance for country studies.
- A number of tools and approaches to aid the understanding of Drivers of Change in specific areas such as the budget process or policy formulation.
- A training course and call-down facility to develop the ability of staff to incorporate this approach into their work.

What difference has Drivers of Change made?

To date, over twenty DFID country offices have completed or undertaking a Drivers of Change study. The benefits of the studies are already being felt. Here are some examples:

- Making explicit and challenging the assumptions behind current programmes.
- Making clear the extent of 'political will' for reform and determining the risk this poses to a programme's success.
- Prompting country teams to revise and often extend programme timetables to take account of the country context rather than DFID staff changes.
- Identifying the role that the non-poor groups have in change processes, and suggesting collaboration with non-traditional partners.
- Prompting a country team not to pursue a programme of work by providing the evidence that it is unlikely to succeed at present.
- An additional, but major benefit, has been to enable staff from different disciplines and backgrounds to debate and share diverse perspectives. This has contributed to team building and enhanced goal sharing. It is anticipated it will also strengthen the institutional memory of offices.

How is DFID taking the Drivers of Change forward?

A critical mass of DFID country offices has now developed the expertise to adopt a Drivers of Change approach. A database of consultants able to assist with studies has also been set-up. Against this backdrop, the Drivers of Change team will disband at the end of September 2004. Instead a Drivers of Change champion will take the agenda forward from within Policy Division's newly forming Institutions and Political Systems team. The Drivers of Change Champion will continue to provide support to the country offices on how to implement Drivers of Change studies. But increasingly the emphasis will shift to focus on assisting country offices operationalise study findings. It is envisaged this will require greater collaboration with other UK government departments, other bilateral donors, including through OECD Development Assistance Committee's Governance Network, and with the multilaterals.

Where to go for more information?

If you wish to know more about Drivers of Change go to http://www.grc-exchange.org/g_themes/politicalsystems_drivers.html , or contact Ann at a-freckleton@dfid.gov.uk.