

WORLD BANK INSTITUTE

Promoting knowledge and learning for a better world

A Leadership Approach
to Achieving Change
in the Public Sector:
The Case of Madagascar

Guenter Heidenhof, Stefanie Teggemann
and Cia Sjetnan

WBI Working Papers



THE WORLD BANK

A Leadership Approach to Achieving Change in the Public Sector: The Case of Madagascar

Guenter Heidenhof, Stefanie Teggemann, and Cia Sjetnan

World Bank Institute
Washington, D.C.

Copyright © 2007

**The International Bank for Reconstruction
and Development /The World Bank**

1818 H Street, N.W.

Washington, D.C. 20433, U.S.A.

The World Bank enjoys copyright under protocol 2 of the Universal Copyright Convention. This material may nonetheless be copied for research, educational or scholarly purposes only in the member countries of The World Bank. This paper has not undergone the review accorded to official World Bank publications. The findings, interpretations, and conclusions expressed herein are those of the author(s) and do not necessarily reflect the views of the International Bank for Reconstruction and Development / The World Bank and its affiliated organizations, or those of the Executive Directors of The World Bank or the governments they represent.

The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

A Leadership Approach to Achieving Change in the Public Sector: The Case of Madagascar

Guenter Heidenhof, Stefanie Teggemann, and Cia Sjetnan

2007. 23 pages. Stock No. 37267

Abstract

Many leadership interventions – in Madagascar and other countries – have shown that focusing on leadership can be effective in leveraging and accelerating technical reforms in a variety of settings. Reinforcing leadership capacity is important because leaders play a critical role in prioritizing, leveraging, modeling and implementing reforms, and because they need new skills as their roles and responsibilities change as a result of reforms. This note tells the story of Madagascar’s transformation after the 2001 crisis. Emerging from crisis and riddled with systemic and institutional barriers to development, amply manifest in all of its systems, structures, and in behaviors and perceptions at the individual level, Madagascar made significant progress through committed leadership and attention to systemic, underlying dysfunctions. It is the story of how delivery of customized support to those in power who are willing to make a difference can unleash capacity

A Leadership Approach to Achieving Change in the Public Sector: The Case of Madagascar

This note tells the story of Madagascar's transformation after the 2001 crisis. Emerging from crisis and riddled with systemic and institutional barriers to development, amply manifest in all of its systems, structures, and in behaviors and perceptions at the individual level, Madagascar made significant progress through committed leadership and attention to systemic, underlying dysfunctions. It is the story of how delivery of customized support to those in power who are willing to make a difference can unleash capacity.

Introduction – Leadership and Public Sector Reforms

The emphasis of the international donor community on capacity building over the last decade has focused heavily on technical expertise, but despite these efforts, returns on investment in terms of sustainable reform have been limited. An important reason has been the inadequate attention paid to **developing the capacity of leaders**, both governmental and nongovernmental, to promote and manage reform. Reinforcing leadership capacity is important because leaders play a critical role in prioritizing, leveraging, modeling and implementing reforms, and because they need new skills as their roles and responsibilities change as a result of reforms.

The public sector – part of the problem, and the solution. Rather than acting as an enabler of development, public administrations in developing countries are often characterized by a number of shortcomings that compromise their effectiveness or even add to existing problems. Governments and public sector agencies have the power and resources to devise policies and oversee their implementation. They also have the ability to develop a coherent, development-oriented vision; engage citizens and stakeholder groups, including the private sector; and build sound institutions that promote

Box 1 Defining Leadership

At its core, leadership is a tool to move society from one (steady) state to another; it is dynamic and inherently about change. Leaders play a key role in helping people face tough realities and develop strategies to deal with problems or take advantage of opportunities, which often requires making tradeoffs and changes to behaviors, values, practices, and priorities. Leaders not only manage change by defining, energizing and following through on reform work but they are also visionaries and models of integrity in their individual capacity.

A good public leader has three dimensions: vision; effectiveness; integrity. Leadership development aims at addressing these dimensions, all of which are critical to realizing small and large-scale change in public life, and to achieving capable and accountable governments that produce sustainable results for the poor.

transparency, participation and accountability – all of which are critical for moving a country forward. Carrying out these responsibilities requires a transformation of the public sector itself – of its leaders and their ways of thinking (individual level); of the administrative culture that dictates their behavior and modes of (non-)collaboration (organizational level); and of its structures, processes, and institutions (institutional level). In fact, a government is faced with the dual challenge of (i) transforming itself to become more efficient, accountable, and effective in fulfilling its role (internal transformation agenda); while at the same time (ii) devising and overseeing the implementation of policies that stimulate development in various sectors (external transformation agenda).

This paper argues that **leadership interventions are an effective complementary tool for achieving public sector governance reforms** and leveraging reforms in and across sectors, and that they deserve a place in the public sector tool kit. It discusses **the experience of Madagascar**, where a leadership program for top Government officials reenergized the leadership and helped it devise and commit to a development-oriented vision for the country. The paper presents the concrete results achieved in different sectors (transport, education, commerce). It also discusses the conceptualization by Malagasy leaders of an overall development strategy, as well as efforts toward institutional development. The paper concludes with lessons learned from the Madagascar experience and makes a case for drawing on leadership development to leverage technical reforms.

The Case of Madagascar

Introduction

Madagascar is one of the poorest countries in Africa. From the early 1970s until 2001 – a period when the Government pursued a socialist development strategy, relying on economic self-sufficiency and extensive state interventions in all sectors – per capita income declined by 40 percent. Initial reforms to overcome years of economic

mismanagement were undertaken in the mid-1980s. These changes, as well as similar reforms in the early 1990s, had only marginal economic impact. The period 1997-2001 saw more substantive structural reforms, which focused on creating a favorable environment for private investment and on integrating Madagascar into the world economy. As a consequence, economic growth picked up substantially, averaging 4.6 percent during this period.

The impact of these reforms on poverty reduction was limited. Economic growth benefited mainly the urban population, while poverty in the rural areas increased over the same

Box 2

Our culture often puts too much emphasis on “the big man”, the Chief, or the boss to make the decisions, mobilize resources and get things done. But one man cannot fix everything, and certainly one man cannot change everything. It requires many leaders at many levels to get results as the problems are too complex and the challenges are so great.

Source: Marc Ravalomanana, President of the Republic of Madagascar, Second Inaugural Address, 19 January 2007

period. The perception that government services were flawed by corruption and governance problems contributed to widespread dissatisfaction with President Didier Ratsiraka.

This dissatisfaction, along with poor government performance, tipped the balance against President Ratsiraka during the general elections in December 2001, in favor of Marc Ravolamanana, a self-made business man and former mayor of Antananarivo. The incumbent contested the results, and two parallel governments were established, each with its own central bank – an arrangement that led to the freezing of the country’s assets abroad and to the suspension of foreign exchange. The political crisis ended in July 2002 with the departure of President Ratsiraka and the inauguration of Mr. Ravolamanana as the new President of Madagascar. However, the new government was not formally recognized by the international community until late 2002. In December 2006 President Ravolamanana was reelected for a second term in office by a large majority.

Challenges

President Ravolamanana and his team faced daunting challenges during the years after taking office. There were immediate challenges as the country emerged from the political crisis, such as getting the economy back on track and dealing with the aftermath of the turmoil in terms of conflict management and reconciliation. Then there were developmental challenges: there was neither vision nor a coherent reform program for development; corruption was rampant; and service delivery in key sectors was dysfunctional.

The political crisis of 2002 had severe economic and social consequences. Key infrastructure was destroyed and economic activity in the export sector virtually stopped. GDP declined by nearly 13 percent in 2002, key public services were discontinued, and there was widespread suffering. The poverty rate increased from 69 percent in 2001 to 80 percent in 2002. About 150,000 people lost their jobs in the urban formal sector, reducing family income for about one million people in the cities. School drop-out rates in the first half of 2002 rose to 14 percent, and health service utilization declined to 36 percent in rural areas and 14 percent in urban areas. Year-on-year inflation reached 21.5 percent in July 2002, with the increase in food prices reaching 24.7 percent.

Reacting to natural disasters. In January 2004, Madagascar was hit by two cyclones. More than 300,000 hectares of agricultural land were damaged, and destroyed about 400 schools and health centers. The damage caused by the second cyclone alone was estimated at US\$250 million. Approximately 774,000 people were affected by the cyclones, of which 308,000 were in need of emergency assistance. Exports fell by more than 10 percent in 2004.

Widespread corruption. In 2002, when the new Government came into power, Madagascar was ranked the third most corrupt country out of 102 countries in the Transparency International Corruption Perception Index, behind only Nigeria and Bangladesh. The key issues highlighted in the Index included: (i) pervasive corruption in a number of sectors (mining, judiciary, forestry) and public services (customs, medical services, traffic police), which severely affected overall efficiencies and service delivery; (ii) conflict of interest of public and elected officials; and (iii) a lack of ethical standards in the public services.

Facing a demanding population. The public had high expectations for the new Government. These expectations focused mainly on the delivery of tangible (economic and social) improvements in the short run.

It soon became apparent that the government machinery, which was supposed to be the driver for change, was part of the problem and needed reform. In spite of his determination to reverse the country's downward trajectory and implement his vision of rapid development, the President was faced with a system that had been shaped by decades of socialist and French colonial traditions and was not capable of meeting the challenge. The appointment of highly committed individuals in key government positions did not suffice; his Government had inherited a largely dysfunctional bureaucracy with complex, non-transparent procedures, coupled with an extremely hierarchical organizational culture that did not encourage innovation, risk-taking, information-sharing or change. Public sector managers were prepared to defend the status quo and their sphere of influence rather than to support change and increase the impact of government activities.

Working with an inefficient public administration. Although the Malagasy civil service is relatively small by African standards (it employs only about 0.8 percent of the country's population or 146,000 agents in 2004), its composition, centralization and management severely compromise its performance. A key characteristic of the civil service is the relatively high number of support staff, around 60 percent of total staff; while the technical level – which typically forms the backbone of a good civil service – accounts for only 30 percent. The low proportion of technical staff partly explains the bottlenecks in delivering public services. Further, the civil service is highly centralized: only 0.75 civil servants per 100 inhabitants work in rural areas – as compared to 2 per 100 inhabitants in urban centers. There is little focus on performance, and job descriptions and performance indicators are lacking or outdated. Administrative decision-making is extremely hierarchical, with a procedural framework that is complex and non-transparent. Discretionary authority and informal behavior are key sources of mismanagement and corruption. A weak work ethic prevails – there is widespread absenteeism, which remains unsanctioned. Low remuneration and career prospects further exacerbate this situation.

Weak coordination within government. The hierarchical set-up of the administration has created an environment in which even minor decisions are often pushed up to the level of Ministers and Permanent Secretaries. Policy planning, monitoring, and evaluation in most sectors are highly inadequate due to lack of capacity. Cross-sectoral collaboration is weak – there is no functioning mechanism to prepare and implement a joint response of several ministries to problems that cut across sectors. The Committee of Permanent Secretaries has a mandate to discuss strategies and cross-sectoral problems below the Cabinet level, but the committee has not convened for several years. The Cabinet meets on a regular basis to discuss policies and strategies – these meetings are, however, not systematically prepared. The Prime Minister's Office does not have sufficient capacity to monitor and evaluate the implementation of Cabinet decisions. All important decisions are referred to the Presidency, thereby reinforcing the lack of risk-taking in the sector ministries and perpetuating the rigid hierarchy.

It soon became apparent that there was a mismatch between the Presidents' "rapid change vision" and the old government machinery that was expected to implement the vision; or, as one Malagasy put it: "There [was] a contradiction between the state we inherited and the objectives we set for ourselves." This mismatch generated significant frustration between the political leadership and the different management levels in the administration. Hoping to reinvigorate and enhance the skills and knowledge of his leadership team, the President asked the World Bank in 2003 to support the improvement of leadership capacity at the apex of government, with the aim of developing his team's capacity to formulate and implement a technically sound and politically feasible development policy for the country.

The Madagascar Leadership and Management Program

The World Bank responded to the President's request with an innovative, four-part leadership and management program (LAMP), tailored to the specific needs of his leadership team. The program evolved over time, adapting to needs as they surfaced and incorporating learning into new design. The support started as a training program focusing mainly on senior management in government. Based on the positive experiences from this approach, the program has been expanded to include more support for key line ministries, as well as for the decentralization process.

Step 1. Leadership Development for Cabinet and Senior Government Officials

The purpose of the leadership program was to enable the Cabinet to work as an effective change management team, and to enable the government bureaucracy to implement the President's ambitious reform agenda. LAMP was designed as an innovative and flexible intervention to support the Government's efforts by developing capacity, bringing international knowledge into the planning process, and maintaining the momentum for change. LAMP promotes three areas of competency – leadership; behavior and ethics; and management and technical skills.

The initial design of the LAMP was mostly experiential in nature, seeking to expose the existing leadership to a variety of approaches and instruments that would support them in their work. Soon, an evaluation component was added to enable the team to capture feedback from participants, which was then used to adjust the program. The LAMP consisted of four components: (i) a series of Government/Cabinet Retreats; (ii) a one-week management training in Canada by the Institute of Public Administration of Canada (IPAC) and the *Ecole nationale d'administration*

Box 3 Impact of Government Retreats (as perceived by participants)

- Clearer vision and results framework;
- Stronger managerial and technical capacity at various levels, including Chefs de region;
- Better cohesion of teams;
- A more developed "tool box" for management, and new work habits and methods;
- Improved dialogue across various sectors, hierarchical levels, and geographic regions;
- Reinforced focus on results-based management, through monitoring, follow-up, and evaluation;
- Strengthened problem solving, due in part to better teamwork and networking

Source: Kabell, 2006.

publique (ENAP)¹; (iii) a three-day Self- Management Seminar by the Art of Living Foundation²; and (iv) a Transformation Project, which develops transformative leadership capacities through intensive adaptive leadership training and coaching.³ With the exception of the Self Management Seminar, trainers began by undertaking a needs assessment in-country, and established personal relationships with participants and local counterparts prior to the activities taking place. This helped trainers to customize the offerings, and prepared participants for the upcoming training. The following section details the objectives, modalities, and participants' views of each of these four interventions.

Government Retreats

Between 2003 and 2006 the Government – with support from the World Bank Institute (WBI) – organized four multi-day Government Retreats attended by Ministers, Permanent Secretaries, and *Chefs de region*, and chaired by the President and the Prime Minister. Each of the retreats was followed by events for representatives from the private sector, civil society, and academia. The main objective of the retreats

was to assist government in better defining the overall vision and development strategy for the country, as well as to strengthen cooperation, a common vision, and a team orientation at the senior government level. The first retreat, in June 2003, included 12 international resource persons from all parts of the world, who commented on the evolving government strategy

Box 4 Impact of the Self-Management Seminar and Training in Canada on Leadership and Management

- Increased self confidence and empowerment of individuals through knowledge of management tools and practices, making participants better able to prioritize and manage time and stress;
- Improved cooperation among individuals and their respective institutions, and clearer roles and responsibilities;
- Introduction and internalization of a new results-oriented culture, as evidenced in the national vision, budget, strategy, and other results-based planning documents;
- Creation of a strong foundation for increased performance through a widely shared vision and the transformation of individuals, organizations, and institutions.

Source: Kabell, 2006.

and shared experiences and best practices from their respective countries. The results were used to refine the government program, in particular with regard to social and economic development. The second retreat, in January 2004, focused on improving service delivery. The third retreat, in May 2005, was designed to foster cross-sectoral collaboration within government, and included experiences from a practical pilot that used the rapid results methodology to increase rice production and importation (see below). The last retreat, in June 2006, subjected the first draft of

¹ IPAC and ENAP are both premier Canadian training institutions focusing on public administration with a wide range of experience in undertaking international exchanges and capacity building.

² The Art of Living Foundation/International Association for Human Values is an international organization providing training in self-management across 142 countries, including in major organizations such as the United Nations, the World Bank, and the World Health Organization.

³ The coaching is led by Dr. Dean Williams, who teaches leadership at the Kennedy School of Government. He has coached many world leaders, including the emerging leadership of East Timor, as part of the World Bank's intervention, which, among others, earned the East Timor Country Team the President's Award for Excellence. He is presently working in Madagascar on a one-year assignment with the President.

the new development strategy for the country – the Madagascar Action Plan (MAP) – to a review by a panel of high-caliber development experts. The feedback from all retreats was overwhelmingly positive: Malagasy policymakers and managers appreciated the exposure to international expertise and experiences in areas relevant to the development of the country. They also appreciated the focus on results, problem-solving, and learning across ministries in a multi-sectoral context. They thought that the retreats reinforced cohesion and a common vision within government, and strengthened managerial and technical capacity in the targeted areas.

Leadership and Management Training in Canada

Between April and June 2004, all Ministers and Permanent Secretaries (divided into three groups) participated in a one-week training organized by the Canadian IPAC and ENAP in Québec. The purpose of the training was to expose them to international experience through presentations by practitioners and academics, peer-to-peer exchanges with (former) counterparts from the Quebecois Government; and to instigate close cooperation and group work between the political and administrative layers of government. To this end, Ministers and Permanent Secretaries were grouped together on each trip. Themes of the training included context analysis of the work of a Minister and a Permanent Secretary, and the political environment in which they function. It also included priority setting, change management, public sector reform, time management, and effective communication.

Participants reported that they particularly valued the practitioner-to-practitioner exchanges. IPAC and ENAM managed to “twin” most participants, including the Prime Minister, with Quebecois counterparts (Ministers, Cabinet Secretaries, and Deputy Ministers) to share experiences, challenges, and successes in both formal and informal settings. These direct exchanges reinvigorated participants’ drive to serve in the public sector. Participants further emphasized that this training managed to break some ice between political and administrative levels of government, which later translated into better and more frequent collaboration between Ministers and Permanent Secretaries. Participants also reported that – as a consequence of better collaboration and understanding – Cabinet meetings have evolved into a forum for genuine debate and deliberation.

Self-Management Seminar for Public Officials

This three-day seminar was organized by the Art of Living Foundation in January 2004. The training sought to enhance personal leadership capabilities; provide tools for personal development and stress management; increase energy, dynamism, mental clarity, and self-confidence for undertaking major responsibilities; enhance collective ownership and teambuilding in the group (e.g., between Cabinet and Permanent Secretaries); and strengthen commitment to the values and ethics of public service. To this end, the seminar focused on breathing techniques and physical exercises, the presentation of which was adjusted to match the specific cultural context of Madagascar.

Participants reported feeling an immediate impact of the seminar in terms of reduced stress and increased appreciation of others. They particularly valued the breathing exercises and

other stress-reduction techniques. Many participants say that they still practice those techniques whenever they feel stressed, as a way to relax and regain clarity of mind.

An independent evaluation (Kabell, 2006) of the Cabinet Retreats, the Leadership and Management Training in Canada, and the Self Management Seminar concluded that the interventions enhanced personal leadership skills, stress resistance and motivation, intra-governmental collaboration, clarity on priority goals, and the capacity for implementation.

The Leadership Transformation Project

The Leadership Transformation Project, which is at the heart of the Leadership and Management Program, provides coaching support to the leadership team as they conceive and implement a program of institutional, behavioral and results-oriented change. The idea of a comprehensive and ambitious Transformation Project emerged during a visit by Harvard lecturer Dean Williams to Madagascar in March/April 2004. The President asked Dean Williams to spearhead a comprehensive change process in the Cabinet and the Administration. The aim of this leadership intervention was to support the President in transforming his government into a powerful engine of development, starting with a number of priority ministries (e.g., education, transport, commerce). To this end, a team of three seasoned consultants was hired to develop the leadership capacity of Ministers and other senior Government officials, and to help the officials think through and implement reforms. The role of the coaches was not to provide technical expertise, but to facilitate, support, sustain, and enable the speed and direction of the ongoing and planned

Box 5 Impact of Leadership Transformation Project

Through a combination of coaching, facilitation, mediation, and training, the leadership coaches contributed to the following **breakthroughs**:

- Development of a widely owned five-year development strategy (Madagascar Action Plan – MAP), built on far-reaching consultations with leaders in different sectors and with civil society;
- Brokered reengagement of World Bank Transport Team and Ministry of Transport, leading to the reactivation of a US\$300 million transport portfolio that had been dormant, significantly improving Bank portfolio performance;
- Restructuring of the Ministry of Transport by cutting staff by 50 percent and appointing qualified and motivated people to key positions, leading to accelerated implementation;
- Establishment of an Economic Development Board; drafting of a new investment law; opening regular dialogue between the Ministry of Commerce and key private sector organizations;
- Mediation of a management crisis and reform implementation difficulties in the national power company, JIRAMA, to prevent an electricity crisis;
- Diagnosis of reform options by the Ministry of Education;
- Establishment of a National Leadership Institute, which became operational in September 2006.

In the area of leadership skills, the coaches were able to:

- Establish relationships of trust with those being coached;
- Diagnose and begin to address breakdowns in the way organizations and individuals operate, diagnose and perceive situations;
- Improve the clarity of ministerial roles;
- Develop the leadership capacity of Chefs de region.

Source: World Bank, 2006

reforms that underpin Madagascar's development strategy. The Transformation Project is unique in its approach – it recognizes the need to sustain leaders' commitment and their capacity to manage difficult and at times controversial change; as well as the need for on-the-spot course corrections and crisis management. The intervention was piloted in 2005 and – based on its positive results – has been expanded to cover the period until June 2007.

Overall, the work of the leadership coaches has had a significant impact on the way both the Presidency and the Prime Minister's Office operate. The two offices have been transformed and strengthened to allow for innovative thinking and fundamental behavioral and organizational change. In particular, the President's office has become the strategic powerhouse of the Government. It has initiated a multifaceted change process that combines the development of a strategic focus for the country with an elaborate monitoring and evaluation framework that – for the first time – tracks the implementation of policy strategies by the government. With assistance from the coaches, individual Ministers are learning to identify challenges at the core of break-downs in the system and address those, set strategic priorities, and effectively manage change. An independent mid-term evaluation of the Leadership Transformation Project, for instance, concluded that: "Evidence of the effectiveness of the approach at this stage (...) is convincing. The preliminary results (MAP, NLIM, Economic Development Board Madagascar) speak for themselves, but interviews further show a high degree of satisfaction among both direct beneficiaries (President, Primature and Executive) and partners (donors and other external stakeholders)." (Kabell. 2007). The work of the leadership coaches led to the development of the new Madagascar Action Plan (MAP) in 2006, building on extensive consultations with sector leaders and other stakeholders outside of government. The coaches were further instrumental in establishing the National Leadership Institute of Madagascar (NLIM), both discussed in detail below.

Other tangible outcomes from the work of the coaches included but are not limited to:

- **Restructuring of the Ministry of Transport.** The Ministry had been tasked with implementing an ambitious transportation and infrastructure development program, but its operational effectiveness was seriously flawed by governance and managerial problems. As a consequence, implementation of almost the entire World Bank transport portfolio (totaling about US\$300 million) had stalled. The leadership coaches helped the Ministry to develop a revised implementation strategy; facilitated managerial and procedural changes; developed and organized team-

Box 6 Evaluating the Impact of the Leadership Transformation Project :

"The clearest evidence of impact of this program is the fact that today nobody can stay in Madagascar for a day without hearing about the MAP [Madagascar Action Plan]. The consultation process to develop it, and the visibility given to it after its completion, is, according to several informants, unprecedented and is much to the credit of the Transformational Leadership Programme and the foresight and commitment of the President who "commissioned" it. It is the reference point for the vast majority of public and private activity in Madagascar and is also the accountability framework for a new government under the leadership of the newly, democratically elected President, Marc Ravalomanana."

Source: Kabell. 2007

building for senior staff; and supported the restructuring of the Ministry. As a result, the World Bank portfolio was reactivated in 2005.

- **Development of a revised private sector and economic development strategy** for the country by the Ministry of Commerce. In this context, a key function of the coaches was to facilitate discussions between government, the private sector, and the development community. This work resulted in the establishment of an Economic Development Board, which became operational in 2006; and in the drafting of a new Investment Law, currently being discussed at the Cabinet level.
- **Development of a strategy and action plan for the Government** to mitigate the impact of the energy crisis triggered by management breakdowns in the national power company.
- **Definition of a reform strategy for primary and secondary education** by the Ministry of Education. The work of the coaches focused primarily on defining and supporting the change management processes, to enable implementation of the reform strategy.

Step 2. Going Beyond the Cabinet and Senior Management – Rapid Results and the National Leadership Institute

While the first leadership interventions focused primarily on the senior management level, additional hands-on support for the implementation of reforms was still needed, to mobilize leaders at local levels for change, and to complement other interventions. Additional coaching was provided to support (i) implementation of the rapid results methodology in priority sectors; (ii) capacity building and institutional development in priority sectors (health, education, transport); and (iii) long-term investments in leadership development through the establishment of the National Leadership Institute of Madagascar.

Box 7 The Rapid Results Methodology as Applied in Madagascar

Origins. Originally developed by the private sector for the private sector, the RRI methodology has over the last few years increasingly been used in the development context, as a tool for governments to implement their policies and strategies and to contribute to the achievement of development objectives. Rapid results initiatives are small projects designed to – in the short-term – mirror more comprehensive projects. These initiatives have an important demonstration effect; teams deliver real results and provide valuable lessons for further implementation.

Results orientation. Under RRI, communities or entities set themselves ambitious, achievable, concrete goals under their local or sector development plans, which they strive to achieve in short periods of time (typically 50, 100, or 150 days). A detailed timetable is used to monitor results. Adjustments to the targets and process can be made along the way.

Execution. Cross-sectoral teams are established, and team members are given clearly defined responsibilities. The process is supported by different layers of coaches, from local to regional to national. A Steering Committee at the Presidency oversees the process and resolves bottlenecks. The Steering Committee is supported by a small group of international consultants who organize the training of coaches and provide quality assurance.

Source: World Bank, 2006

Scaling-up Implementation Support through the Rapid Results Methodology

In February 2005, when the Government launched its first rapid results pilot, the aim was to mitigate the effects of a significant shortfall in rice production and importation. A combination of policy and technical interventions helped to solve the crisis. By applying the rapid results methodology to the rice sector in four targeted regions, rice production increased significantly in these areas. In the region of Boeny, production went from 2.5 tons per hectare in 2004 to four tons per hectare in 2005 and in the region of Menabe, from 22,000 tons to 37,000 tons respectively.⁴ The success generated demand for use of the methodology to address problems in other regions and sectors. With World Bank support, the Government rolled out a rapid results pilot program in selected sectors in 2005. The program supported rapid results initiatives (RRIs) in the region of Diana to increase tourism revenues and in the region of Antsinanana to increase the production of litchis.

Box 8 Impacts of the Rapid Results Initiative

In two cycles of RRI in 2005, about 67 percent of projects achieved their objectives; 22 percent partially achieved them; and 11 percent did not achieve them.

Key results

- An RRI aimed at the production, importation, and distribution of rice prevented a projected nationwide rice shortfall of 250-300 tons in the first half of 2005. As a result, rice production in the latter part of 2005 stood at 2.57 tons/ha; this was 0.17 tons/ha higher than the 2006 target value in the Poverty Reduction Strategy Credit (PRSC).
- RRI resulted in development breakthroughs in health (family planning, HIV/AIDS, nutrition) and tourism (built infrastructure, electrification, water supply). It also increased textile production, litchi production; and exports.

At the central level, three ministries participated:

- The Interior Ministry simplified procedures for obtaining visas; and reduced the delivery time for visas from six to two months in Antananarivo (this was less successful at the regional level).
- The Ministry of Health achieved results in family planning, nutrition, and HIV/AIDS; and plans to expand RRI in those areas.

Impact on capacity

- RRI led to a clear and shared vision of priorities and activities; it helped participants to cut through red tape and focus on results.
- It brought to light bottlenecks and dysfunctionalities in the system that needed to be resolved.
- It developed social capital and cohesion, which facilitated the emergence of an active civil society.
- RRI broke down institutional barriers between different ministries and service agents at the local level. Teams include citizens, mayors, service agents from the public sector, religious groups etc.
- The RRI information system enabled regional coaches to transmit problems and bottlenecks to the national consultant, who then contacted individuals or the RRI Pilot Committee to resolve the issue within 24 hours.
- RRI built confidence, capacity for action, and management and leadership skills. Evidence to date indicates that this capacity remains and that RRI planning and implementation techniques are being applied to other fields of development, for example in the health and nutrition sectors.
- RRI mobilized financing from donors and the private sector for the implementation of micro projects.

Source: World Bank, 2006

⁴ Other regions (Vakinankatra and Bongolava) were less successful, due mainly to a lack of resources.

In the region of Anamalanga, RRI supported the family planning activities of the Ministry of Health. As a result, the use of contraceptives by women of childbearing age increased from 10.8 percent in late 2005 to 21.5 percent by the end of September 2006. Encouraged by these results, the Ministry plans to expand this program nationwide.

In the region of Betsiboka, RRI contributed to significant increases in local government revenues from mining activities. In 2005, a pilot program was started in two communes to regularize the informal sector and legalize small-scale mining by issuing mining certificates. At the beginning of the program, only about 400 grams of gold were officially declared by small-scale miners. In early 2006 in the same communes, about 12 kilograms of gold were officially registered, generating significant revenues for the respective communities. The program was expanded to other parts of the region and resulted in the registration of roughly 12,000 small-scale miners.

Overall, RRI has helped to accelerate the implementation of development activities and has been a highly effective vehicle for improving performance in specific areas. An independent review⁵ of the results of the 2005 pilot phase concluded that 67 percent of the pilots in the rice, tourism, and infrastructure sectors met their objectives. Beyond this, RRI has contributed to building social capital and cohesion among stakeholders; broken down institutional barriers among ministries, and between ministries and local service agents; and built confidence, the capacity for action, and management and leadership skills.

Based on the positive results of the pilot phase, a new rapid results program was developed for 2006/7 to support social and economic development activities in selected regions and sectors.

Scaling-up Capacity Building and Supporting Institutional Development in Priority Sectors

The leadership assistance provided to Ministers and Permanent Secretaries also helped them identify administration issues that affect implementation. A key problem is the inconsistency between sectoral strategies and the budget allocations. To address this issue, the program assisted priority ministries (health, education, transport, environment) with program budgeting, and provided on-demand advice and training. The Ministry of National Education and Scientific Research has had notable success in identifying its priority programs, and seeking to ensure that they are protected against budget cuts. The support provided to date has been highly valued by the ministries.

In addition, a “quick-wins” program targeting services with a large public-private interface achieved important improvements in service delivery through quick improvements in procedures and resources. Quick-win programs have been carried out in justice, land administration, and customs. In justice and land administration, the quick wins involved a support package of temporary staff, training, procedural guides/manuals, and equipment, which has

⁵ Association Hevitra Maro, Evaluation externe des deux phases des Initiatives à Résultats Rapides (IRR) à 150 jours, Rapport Final, Mars 2006

greatly decreased backlogs in issuing judgments and granting land titles. In customs, interventions focused on reducing red tape and on accelerating the processing of containers.

Leadership Development through the National Leadership Institute of Madagascar (NLIM)

Buoyed by the changes that an increased focus on leadership skills had brought about, the President established the NLIM. The Institute is a way of expanding leadership training and development to all parts of society; it is also a tool to ensure that changes to date, and the momentum generated, remain sustainable. The NLIM will implement a National Leadership Program (NLP) to strengthen the capacity of Malagasy leaders, and support those who can serve as agents of change and contribute to the rapid development of the country. The NLIM, which became operational in September 2006, runs a six-month National Leadership Program for 30 students from public, private, and civil society sectors each semester; it is also planned to organize short courses, conferences and specific events. The NLIM is supported by the existing leadership coaching team, which has developed the curriculum for the six-month leadership training.

Making Progress in Key Areas of Development

During the four years since coming to power in 2002, the Government has been able to achieve progress in a number of areas, although overall socio-economic indicators remain challenging. While it is impossible to attribute this progress to specific leadership interventions, it can be concluded that the work has contributed, at times even significantly, to the achievement of results, as described above. Some of the notable results are summarized in the following paragraphs.

The President's Office was transformed into the strategic power house of the Government. In particular, its capacity to design a consistent development strategy and to monitor implementation of policies needed to be significantly strengthened. To achieve this goal, a group of dynamic young Malagasy were recruited and became the nucleus of the new Presidency. This group is supported by experienced senior international consultants with expertise in all relevant areas (economy,

Box 9 Madagascar's new Development Vision and Strategy: the Madagascar Action Plan

The Madagascar Action Plan (MAP) 2012 sets out a roadmap for achieving the Government's vision of development. Its purpose is to produce a quantum leap in the development process, by mobilizing the Malagasy people and the country's international partners to ignite rapid growth, and thereby achieve poverty reduction. MAP outlines eight specific areas of focus: (i) good governance; (ii) educational transformation; (iii) health and family planning; (iv) infrastructure; (v) rural development; (vi) the economy and the private sector; (vii) environment; and (viii) national solidarity. For each focus area, there are quantifiable goals to be achieved by 2012.

MAP further delineates the long-term vision in **Madagascar naturellement**, which the President put forward in 2004 as a roadmap for the period 2007-2011. The vision foresees the transformation of Madagascar from a subsistence economy to a market economy, with significantly increased exports of pharmaceuticals and textiles; enhanced linkages between the rural and industrial economies through agro-industry; the transformation of mineral products; and the provision of economic services such as tourism and agricultural credit.

international trade, organizational development, governance). Their work produced a new results framework for government operations that includes the new development strategy for the country – the Madagascar Action Plan.

Formulating a new and consistent development strategy. The Government of President Ravolamanana inherited a Poverty Reduction Strategy Paper (PRSP), which mapped out an ambitious program to reduce poverty through rapid and sustained growth. While the goals and objectives of the PRSP were consistent with the new Government’s vision, the underlying economic and social reform program was weak and inconsistent. More importantly, the PRSP was not fully owned by the new Government. While the top leadership was committed to pressing ahead with change, they lacked a consistent plan and a common vision for development of the country. As a consequence, activities addressed mainly short-term issues, leading to a flurry of initiatives that overstretched the state apparatus, created confusion, and left little time for reflection and innovative thinking. To remedy this problem, the Government updated the PRSP in 2003, and, over the course of 2005, and developed the Madagascar Action Plan (MAP). The MAP was formally adopted in November 2006 and presented to Parliament together with the 2007 annual budget. The MAP summarizes the Government’s five-year strategic vision for the economic and social development of the country, and will serve as a roadmap toward achieving the long-term strategic agenda articulated in *Madagascar naturellement*.

More consistency and increased focus on results. To improve results orientation, in 2003 the Government introduced business plans for all line ministries which outlined the work program for the coming year. In 2005, program budgets were introduced to increase the transparency of budget allocations and further strengthen the focus on results. Efforts are ongoing to better align these program budgets with sector business plans and the national development strategy. To monitor implementation of its policies and programs, the Government has also developed a matrix defining specific results for all ministries and departments for each year (*La politique générale de l’Etat*). Implementation is tracked on a regular basis, and progress and bottlenecks are discussed at the Cabinet level.

Impact

The Leadership and Management Program has been instrumental in accelerating development in Madagascar. It has helped to advance a broad-based vision for development that is understood and shared across the political and technical levels of government. With its focus on results and tangible outcomes, LAMP initiated a change process that moves away from the country’s overly complex and ineffective administrative tradition. The program has provided tools that enable public sector managers to effectively implement government strategies and to overcome implementation problems triggered by a complex bureaucracy. It has also identified procedural and institutional problems and bottlenecks in government and in the administration. This knowledge is being used to design administrative reforms aimed at improving the delivery of public services.

LAMP has emphasized “making things happen” and managing change more effectively. The program has created new momentum for ongoing technical reforms in key

sectors (transport, education, private sector development); and has added a new dimension to existing training and capacity building activities by targeting assistance to managers at both the political and technical levels. The program, originally designed to support senior management, has been continually adjusted to fit the changing political context; and has evolved into a multi-faceted support program.

LAMP has been successful in some areas that were considered hopeless because of seemingly intractable management and public sector governance problems. Revitalization of the World Bank program for the transport sector, for example, indicates that effective management support can be instrumental in overcoming these difficult problems and improving the operational efficiency of a public institution.

LAMP has generated a great deal of enthusiasm within the Government and targeted public institutions. It has mobilized public servants to overcome bureaucratic bottlenecks and to think creatively about how to solve implementation problems, thereby creating space for doing things differently in an environment where traditional administrative reforms have yielded few tangible results. The challenge of LAMP will be to sustain the momentum it has created; to move beyond short-term gains and address systemic and institutional barriers to government effectiveness.

Conclusions and Way Forward

The Madagascar case shows how leadership support, if embedded in an existing reform program, can be a powerful tool for accelerating change. Interventions by various Bank and non-Bank actors have addressed all three elements needed for successful leadership – vision, effectiveness, and integrity. Leadership support has helped to develop the capacity of individuals, and has supported them in translating vision into action, thereby achieving not only individual but also organizational and institutional change.

Madagascar demonstrates a new dimension of capacity development for the Bank, which (since 2003) has been providing explicit capacity development support to leadership teams at national and sub-national levels. The LAMP has helped to create a common vision (*MAP*); unleash existing local capacity that has been underexploited; trigger changes in complex processes; and build consensus around a complex change agenda. The inclusion of leadership capacity development in its support for reform efforts represents a marked change in how the Bank engages with its clients.

Important lessons for future interventions can be drawn from the Madagascar case. The first lesson is that it is important to have an entry point – a Government official committed to development and open to leadership work. In Madagascar, the President's commitment made it possible to rapidly deploy coaches, experts, and trainers to assist key leaders in tackling the barriers to development. A second lesson is that, flexibility in design and implementation are key to adjusting interventions as the political context evolves and leaders gain a deeper understanding of how to eliminate those barriers. Typically, only a fraction of the issues are visible at the beginning of the learning process, and leadership coaches and other stakeholders need to maintain

an open mind while looking for deeper causes and inter-related issues. They also need to be willing to reinforce successful interventions and curtail those that have had poor results. A third lesson is that successful coaching depends critically on the willingness of the coaches to immerse themselves into their new environment and win trust, thus requiring full commitment over a sustained period of time. A fourth lesson – and this is particularly challenging in a program that is fluid by nature – is that monitoring and evaluation of interventions are essential for taking stock of progress; determining what works and what does not; allowing leaders and their coaching teams to adjust to changing circumstances; and communicating with outside stakeholders, including donors, other government officials, the public, the poor, the media, and the opposition about the importance of the process.

Leadership Development – A Role for the Bank?

Leadership work can help leverage reforms the Bank is engaged in. Many leadership interventions – in Madagascar and other countries – have shown that focusing on leadership can be effective in leveraging and accelerating technical reforms in a variety of settings. Leadership interventions have been successfully applied in stable countries to accelerate reforms, and in post-conflict settings to engage warring factions, negotiate conditions for development, strengthen budding leaders, and help committed leaders establish sound institutions to support long-term development. Leadership interventions have also been instrumental in leveraging reform across sectors. In Madagascar, reform endeavors in transport, private sector development, education, health, gender, and other areas have benefited from leadership development. Leadership work has also helped to accelerate implementation of Madagascar’s administrative reform program. In areas such as public sector reform and governance, where past interventions have not had the expected impact, coupling traditional interventions with leadership development can help to bring about measurable change.

The Bank is well positioned. It has the resources, access to decision-makers, and convening power required to promote the capacity development of leaders as an integral part of social and economic development. Such interventions can help to strengthen the relationship between the Bank and a client country, which in turn can enhance policy dialogue. Further, engaging in such interventions helps to reinforce the value of knowledge and experience sharing as the Bank continues to seek a balance between traditional lending and support for reform.

Annexes

- 1. Summary of Leadership Interventions in Madagascar, 2003 to 2006**
- 2. Bibliography**
- 3. Evaluation Findings**
- 4. Evaluation Tools**

Annex 1. Summary of Leadership Interventions in Madagascar, 2003 to 2006

Intervention	Timeframe	External Providers	Type of Training	Primary Target	Level at Which Training Impact Was Monitored ⁶	Impact
1. Four Government Retreats	Jun 03–Jan 04 Mar05–Jun 06	Former Ministers	Peer-to-peer in-country	Cabinet and senior officials	1,2 & weak 3 (no external evidence)	These interventions changed the culture of the Cabinet and senior officials, and led to a greater focus on results
2. One-week management training in Canada	April–June 2004	IPAC and ENAP ⁷	Peer-to-peer outside country; formal training	Cabinet and senior officials	1, 2 & weak 3 (no external evidence)	
3. Self Management Seminar	3-day session in Jan 2004	The Art of Living Foundation	Breathing and relaxation techniques	Cabinet and senior officials	1, 2 & weak 3 (no external evidence)	
4. Transformation Project, focused on coaching of ministers, the President, and the Prime Minister	Jun 05–Jan 06 Jun 06–May07	A team led by Dean Williams ⁸ and 3 coaches	Adaptive leadership training and coaching	Cabinet and senior officials	1 through 4, with tangible success	Daily support from coaches helped country leadership deliver more results
6. Rapid Results	2005–2006	Nadim Matta ⁹	Training on RRI methodology	Officials at all levels, civil society leaders	Assessed in terms of goals achieved (67 percent)	Dramatic improvements, and scaling up
7. National Leadership Institute of Madagascar (NLIM)	First semester in September 2006	Leadership team around Dean Williams has provided assistance to set up the institute	Training Institute	Leaders from public sector, private sector, and civil society	Ongoing	Goal is to develop local leaders (training of trainers)

⁶ The four levels for monitoring, (Kirkpatrick's evaluation model): level 1: *reaction* - how participants liked the seminar? 2: *learning* - did they learn and retain? 3: *behavior* - is there evidence that they put learning into practice? 4: *results* - was the participant's organization improved as a result of the intervention?

⁷ IPAC is the Institute of Public Administration of Canada; ENAP is the Ecole Nationale d'Administration Publique.

⁸ Center for Public Leadership, Kennedy School of Government, Harvard University.

⁹ Senior partner at Robert H. Schaffer Associates, management consulting firm.

Annex 2: Bibliography

Dorte Kabell. 2006. World Bank Group-Supported Leadership and Management Initiatives in Madagascar, 2004-2005: Synthesis of Evaluation Findings (April).

Dorte Kabell. 2007. World Bank Group-Supported Transformational Leadership Program in Madagascar. Report of the Mid-term Evaluation (Draft 1.0, January).

Association Hevitra Maro, Evaluation externe des deux phases des Initiatives à Résultats Rapides (IRR) à 150 jours, Rapport Final, Mars 2006

World Bank. 2006. Mid-Term Review Report : Projet du developpement institutionnel et de la bonne gouvernance (July).

World Bank. 2006. Leadership Concept Note (draft, October).

Annex 3: Evaluation Findings

Overall

Overall message from evaluation process, i.e. including all the various initiatives:

A key outcome seems to be the sharing of a new experience and a range of new skills and knowledge which helps generate trust and shared values and dilutes the existing hierarchical culture somewhat, i.e. an impact that starts at the individual level, but extends into the institutional.

In terms of the general comments, from participants in the last retreat, on impact on building capacity, these include the following key areas:

- Clearer vision and results framework
- Stronger managerial and technical capacity at various levels, including Chefs de region
- Homogeneity and unison of teams improved
- A better developed “tool box” for management and new working habits and methods
- Dialogue between various sectors, hierarchical levels, geographical regions improved, no more “logique sectorielle”
- Reinforced focus on results-based management in general and monitoring, follow-up and evaluation in particular
- Problem solving strengthened, partly due to better teamwork and networking

Impact

1. Looking across the various initiatives, the level one and two assessments conducted for all training and learning activities show that participants appreciated the training as relevant and important in introducing new concepts and management tools that fostered new insights and attitudes which have direct impact on performance. They also reported that there is a certain synergy and complementarity among the various initiatives.
2. The reactions of ministers and secretaries general were significantly different, which is perhaps unsurprising given the differences in their roles and responsibilities. Secretaries General, for example, showed particular appreciation of the informal interaction between peers, a key element throughout the programs, perhaps because they have less opportunity for such interaction than do ministers. This interaction made it possible to integrate newcomers, which given the turnover at this level, is not insignificant. A key outcome therefore seems to be the sharing of a new experience and a range of new skills and knowledge, which helps generate trust and shared values and softens the existing hierarchical culture somewhat, i.e. an impact that affects the institutional level through the individual level.
3. The extent to which participants are able to use and share the new learning, and what impact it may have if they do, could still be further documented, but there seem to be a general perception that impact has been strongest in terms of:

- Giving self confidence and empowerment at individual level through knowledge of useful management tools and practices, making participants better able to prioritize and manage time and hence stress
- Improving cooperation among individuals and their respective institutions and clarifying roles and responsibilities
- Facilitating the introduction and internalization of a new results oriented culture, as evidenced in the national vision, budget and strategy and various other new documents (PTA, PTS).
- Creating a strong foundation for increased performance in terms of (institutional) structure and (performance) culture as well as a widely shared vision

These self perceptions are borne out by interviews with donors, who confirm that they see a change in the culture, in the relations, and in the whole results-framework which is clearer and hence lends itself more easily to dialogue and shared action.

4. Assessments also revealed findings on the following:

- Stress management: From the Art of Living Foundation's Self Management Seminar: 52% of participants strongly agree with the statement that they had noticed an impact in terms of reduction of stress levels, while 56% strongly agreed that after the course they had more patience and appreciation for others. After one year, all but one participant use the techniques once in a while and a third use them often with 89% feeling an impact in terms of reducing stress
- Priority-setting: A concrete example of priority setting comes from the Ministère de la Fonction Publique, where the budgetary trade-off resulted in the decision to invest in a solid IT platform at the cost of maintaining and running the elevators.
- Cross-sector communication: Learning in this area is demonstrated by one participant's statement that "A Malagache saying goes: those who are united are a rock, those who are dispersed are like sand. We would be way ahead if we focus the work on the inter-ministerial, instead of limiting ourselves to sectoral silos."
- New attitudes: Evidence of changed attitude can be seen from questionnaires administered before and after a course. Before the course, one participant mentioned "easier modalities for lay-off" as a way of dealing with resistance to change, but afterward stressed "information, involvement and persuasion" as the best strategy.
- Heightened awareness of time management: This can be seen when in a pre-course answer to question on how participants manage time the answer was: "arrive early in the office, leave late". The same person, after the course replied "collaborate with trusted staff on time management without forgetting the family at home".

Similarly, another participant answered prior to the training: "first work [...], then teaching obligations [...], then family (very minimal)" whereas after the training he stated: "prioritizing certain priorities together with trusted staff [...] no contact with work on Sundays [...]"

Annex 4: Evaluation Tools

The tools that have been applied for all the different evaluations include:

- *Document Review*, had two primary purposes: i) identify and assess links to other capacity development initiatives for leadership and management in Madagascar, and ii) review evidence and output from various key ministries and organizations with a view to assessing innovation, improved results orientation and quality so as to be able to document change. A wide range of documents from various ministries, government agencies, donors as well as various learning institutions in Madagascar have been reviewed.
- *Questionnaires* have been used in connection with both the assessments of individual and group learning initiatives and of the Government retreats. Participants have filled in both pre-event and post-event questionnaires in connection with the AOLF and IPAC training as described in Report I and Report II. This has helped to help gather evidence on individual assessment of outcome and impact of the training activities. Questionnaires have also been used during the Retreats to collect the views of participants on various aspects of specific Retreats and the perceived impact in general of this activity. They have been administered to both participants from Government and from non-government (Report IV).
- *Interviews*, have been used as a more comprehensive tool than open questionnaires, and made it possible to explore a wider range of dimensions. However, because of time involved, not all participants have been interviewed, but a strategic selection made in collaboration with the Government. Interviews have also been held with donors to validate certain information. An interview guide was developed to support interviews (see Report III for list of interviewed persons and the interview guide).
- *Direct Observation* was used during the government Retreat, to validate information and findings gathered prior to the event.

Acronyms

IPAC	Institute of Public Administration of Canada
ENAP	Ecole Nationale d'Administration Publique
LAMP	Leadership and Management Program
MAP	Madagascar Action Plan
NLIM	National Leadership Institute of Madagascar
NLP	National Leadership Program
WBI	World Bank Institute