Draft Report for the Presidency: Department of Performance Monitoring and Evaluation
Impact and Implementation Evaluation of Government Coordination Systems – International Literature Review: Impact
Economix: 26 July, 2013

THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

Impact and Implementation Evaluation of Government Coordination Systems – International Literature review

Draft 4

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ACRONYMS

APS	Australian Public Service
CAF	Committee of Federative Affairs (Brazil)
CANASEMS	National Council of the Municipal Health Secretaries (Brazil)
CIB	Bipartite Inter-Manager Commission (Brazil)
CIT	Tripartite Inter-Managers Commission (Brazil)
CIU	Cabinet Implementation Unit (Australia)
CNE	National Educational Council (Brazil)
COAG	Council of Australian Government (Australia)
CONARES	National Council of State Representatives (Health. Brazil)
CONFAZ	National Council for Fiscal Policy (Brazil)
DG	Director General
DPME	Department of Performance Monitoring and Evaluation (SA Presidency)
IGRA	Inte-governmental Relations Act13 of 2005 (South Africa)
JUG	Joined up Government
MFMA	Municipal Financial Management Act
MinMEC	Cluster structure involving representatives from national, provincial, and local government to deal with concurrent functions
NDP	National Development Plan 2030 (South Africa)
NPM	New Public Management
PFMA	Public Finance Management Act
PoA	Programme of Action (South Africa)
SEU	Social Exclusion Unit (United Kingdom)
SU	Strategy Unit (United Kingdom)

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EXECUTIVE SUMMARY

1. **Introduction**

   The South African government has commissioned an evaluation of the effectiveness of selected coordination structures, namely Clusters (for horizontal coordination), Implementation Forums (for outcomes involving horizontal and/or intergovernmental coordination) and MinMECs (for intergovernmental coordination of concurrent functions).

   This report on selected international coordination case studies is part of this broader evaluation and will inform the evaluation process.

   An analytical framework to evaluate coordination case studies as well as the South African coordination structures has been developed (and informed by this review). This analytical framework identifies the following success three broad factors and linked enablers which need to be addressed to support successful coordination:

   a) **Mandate**:

   For successful coordination, leadership is needed to emphasise the importance of effective coordination and commit to making it work by prioritising the coordinated activity within an all-of-government context. The coordination roles of each coordination structure must be appropriate, documented (either through legislation or less formally) and adhered to.

   b) **Systems/ Processes:**

   For successful coordination, appropriate governance and accountability frameworks must be in place and sufficient and appropriate resources and meeting management systems must be in place to support effective decision-making as well as the monitoring of decision-making and enforcing accountability for implementation of decision-making. Processes should support coordinated planning of policy and programmes.

   c) **Behaviours**:

   For successful coordination, the right departments/ spheres/ role-players must be involved at the appropriate level/ stage and state politicians and officials with the appropriate authority, and the right skills and competencies to work collaboratively should take decisions which support coordination. Both departmental organisational culture, as well as cultures developed within specific coordination structures, must support coordination so that, over time, those civil servants involved in the coordinated activity come to share a common organisational culture, and shared priorities, terminology, and values.

   At the same time, it is acknowledged and recognised that coordination is a world-wide challenge experienced by all governments to which there are no easy or quick solutions, and that this challenge is not unique to the South African context.

2. **Overview of Government Coordination**

   There are many definitions of coordination. An example of a definition of coordination is "A process in which two or more parties take one another into account for the purpose of bringing together their decisions and/or activities into harmonious or reciprocal relation" (Kernaghan and Siegel, 1987, p. 263). Coordination can be seen as part of a continuum of relationships which require gradually increasing levels of trust and the sharing of resources, risks and rewards, and starts with networking (no sharing of resources), then coordination (minimal sharing of resources), to cooperation (some sharing of risks and rewards) to collaboration (sharing of risks, responsibilities and rewards).

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Coordination can take place at various stages, from planning to implementation to monitoring and evaluation. Coordination can also take place in a bottom-up (using networks or market mechanisms) way or a top-down way (the exercise of authority at the top). A wide range of different types of incentives, as well as institutional structures have been used to promote coordination.

There are a wide range of potential barriers to coordination, including the costs involved in engaging in coordination activities (especially time and potential delays), the lack of certainty regarding achieving benefits from coordination, ignorance around the existence of the need to coordinate with others, the tendency for departments and organisations to focus on their own objectives and performance in isolation from others, the tendency for departments and organisations to engage in turf wars and protect their resources / budgets and areas of responsibility from others, as well as the day-to-day challenges of trying to work across boundaries.

Given all of the above coordination obstacles, the question has to be asked "Why is it important for government's to promote coordination?". Reasons include the following:

1. The challenges facing countries are bigger than one department / agency / sector of society can solve alone;
2. By pooling the best of their resources departments/ agencies / role-players provide better solutions;
3. It helps to reduce duplication and ensure Citizens and businesses can access the best service at the right cost;
4. It targets government effort at priority areas;
5. Citizens (and businesses) expect it.

Put more simply, coordination is often seen as necessary to reduce the gap between government's stated intentions and the reality experienced by citizens. Several studies on whole-of-government approaches conclude that a gap between talk and action often occurs because of significant barriers to coordination (Gregory. 2006).

Coordination efforts have also increased in importance where governments have been seeking to reassert central direction in order to improve performance (Halligan. 2008).

3. International Government Coordination Case Studies

3.1.1 United Kingdom (UK)

The UK has a long history of trying to promote what has been termed Joined Up Government (JUG) or whole-of-government approaches.

The following coordination structures / mechanisms are briefly described before identifying lessons in terms of mandates, systems and behaviours:
- The Public Service Agreements System (PSAs) (established in 1998 and abolished in 2010)
- The Strategy Unit (SU)
- The Social Exclusion Unit which developed a National Neighbourhood Renewal Strategy

PSAs were introduced in 1998 and detailed the aims and objectives of UK government departments for a three-year period and describe how targets will be achieved and how performances against these targets will be measured. These have some similarities with South

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Africa's outcome-focused Delivery Agreements.

Talbot states that targets set out in PSAs proved immensely valuable by providing a clear statement of what the Government is trying to achieve. They set out the Government's aims and priorities for improving public services and the specific results Government was aiming to deliver.

The **Strategy Unit (SU**) was created in 2001 and dis-established in 2010 and supported the Prime Minister in terms of strategic and analytical capacity ny carrying out strategy reviews, supporting government departments in developing effective strategies and policies, conducting strategic audits and essentially investigating substantial issues that cut across departmental boundaries, or that posed long-term challenges and required sophisticated analysis.

The **Social Exclusion Unit** was a cross-departmental policy development team located in the Cabinet Office. One of its responsibilities was to coordinate a cross-departmental policy development process to develop a **National Neighbourhood Renewal Strategy** to address the most deprived areas of England. 18 Policy Action Teams comprising a wide range of role-players and especially selected expertise developed the renewal strategy.

Some of the lessons which have been identified from the experiences of these case studies include the following:

- The active support of the Prime Minister for structures responsible for developing cross-cutting policies and strategies greatly enhances the policy/ strategy development process. Having the Head of a cross-cutting strategy/ policy development structure report to Prime Minister can secure appropriate cooperation from multiple departments (including securing sensitive information).
- There is a tension between performance management and coordination. Individuals and organisations have become more focused on meeting their own individual and departmental performance targets. Unless cross-cutting targets are given equal status, coordination is likely to remain on the margins (Pollitt, 2003:42).
- Even with a strong drive from the top of government to develop a whole-of-government culture within government, it is extremely difficult to change in-grained, departmental-based, ways of behaving and operating.
- There may be a need for the center of government to possess high level analytical and strategy skills to support departments to design and facilitate coordinated strategy and policy development. Also, government needs to find ways to facilitate policy and strategy development processes which do not only rely on technical inputs and advice from departments, but also solicit these from other external sources (e.g. academia etc.).

3.2 Brazil

The following two types of coordination structures are discussed in more detail:
- Inter-governmental Forums (similar to South Africa's MinMEC structures)
- Sectoral Policy Chambers for horizontal co-ordination (similar to South Africa's cluster structures)

The first intergovernmental forums in democratic Brazil were established in the 1990s in the health and educational sectors. These sector-specific forums were designed to foster policy coordination.

In Brazil vertical coordination is more important than horizontal coordination. Because of the federal system the centre cannot impose its will on the states. There is a relatively weak

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central state which has to rely on negotiating with state governors to get things done. Politics and negotiation is far more important than horizontal government coordinating mechanisms.

There is no uniform MinMEC-type structure as found in South Africa. Each sector has developed its own form of IGR structure. In Brazil, for most part, the decisions and agreements reached in the sector-specific IGR forums are binding.

The most important initiative undertaken to improve the federal / national administration's performance was the creation of **sectoral chambers**, which brought together ministers by subject areas or macro-problems. These are similar to South Africa's political or ministerial cluster structures.

The following sectoral chambers were created: the Economic Policies Chamber, the Infrastructure Chamber, the Social Policy Chamber, the State Reform Chamber and the Security and Justice Chamber and were. The President of the Republic participated actively in these meetings as often as deemed necessary by the Minister in charge of the relevant department. At first, the composition of these chambers was fixed, but experience has shown that it is more appropriate that it should vary depending on the problems of harmonization and coordination to be addressed

These chambers have had varying degrees of success; among the most successful are the Economic Policy Chamber (which met once a week and was almost invariably attended by the President of the Republic), the Infrastructure Chamber and the Social Policy Chamber.

The Social Policy Chamber acted as the coordination mechanism for the social development strategy. Its relative success (especially in the first years of its existence and in the implementation of the strategy) has been be attributed to various factors, including: the active commitment of the central government authorities, especially the Office of the President of the Republic; the general coincidence of views, although not without conflict and arduous negotiations, among the ministers of the main social areas (social security, health, education, labour, and peasant agriculture and agrarian reform); the fact that the majority of its members are highly skilled technical staff and persons enjoyed the highest trust by the President of the Republic.

Some of the lessons which have been identified from the experiences of these case studies include the following:

- Horizontal coordination between national departments is a major challenge in Brazil partly due to national Ministers being appointed from different political parties due to political dynamics in the country resulting in ministerial positions being politically allocated based on the necessity of the Brazilian president to build political coalitions (Armijo et al. 2006). Political dynamics and coalitions can greatly constrain government's ability to promote coordinated behaviours between departments and spheres and the coordination effectiveness of coordination structures.
- In terms of vertical/ intergovernmental coordination, because the central state is relatively weak it has to rely on a combination of political negotiation as well as legislative mechanisms to promote coordination. The legislative mandate for some of the Intergovernmental Forums provides for decisions and agreements reached in these structures to be binding on all levels of government which in all likelihood contributes towards their effectiveness.
- Agreement on broad strategy in cluster type structures by all role-players has made it easier cooperate and plan in an integrated manner.

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- The recruitment / appointment of senior officials by departmental Ministers can result in the weakening of the required technical skills for effective horizontal and/or vertical coordination being available in departments.

3.3   Australia

Over the past decades, coordination in Australia has been enhanced by several initiatives which include reducing the number of departments, creating a Council of Australian Government (COAG) which includes Ministerial Councils for intergovernmental coordination (similar to South Africa's MinMECs but with important differences) , temporary task team structures, and creating the Cabinet Implementation Unit (CIU).

In an effort to improve the whole of government approach, the Australian government created a Council of Australian Governments (COAG) in 1992. The role of COAG is to promote policy reforms that are of national significance (informed by a reform agenda), or which need co-ordinated action by all Australian governments. COAG has improved the cooperation of the three spheres of government and also 'provided a forum for consideration of whole of government issues such as national competition policy'. COAG is chaired by the Prime Minister and is supported by a number of ministerial councils.

In 2008, the Council of Australian Governments (COAG) developed a wide-ranging reform agenda to improve the wellbeing of all Australians. To enhance collaboration on these reforms COAG's coordination role is supported or strengthened by a new approach to federal financial relations in the Intergovernmental Agreement on Federal Financial Relations (IGAFFR). The IGAFFR provides a framework to increase flexibility in service delivery and improve focus on public accountability for achieving outcomes.

A key objective of the federal financial relations framework is increased accountability of Commonwealth and State and Territory governments to the public, underpinned by clearer roles and responsibilities in respect of each jurisdiction. Rather than seeking to control how States deliver outcomes, the IGAFFR aims to improve the quality and effectiveness of government services by reducing Commonwealth prescription, aligning payments with the achievement of outcomes and/or outputs and giving States the flexibility to determine how to achieve those outcomes efficiently and effectively (COAG. 2013).

The functioning of COAG ministerial councils is informed by a Council Handbook containing operational guidelines and principles and includes processes for ensuring agendas are focused and strategic as well as a compulsory three year review of the effectiveness of each council.

In 2003, the Department of the Prime Minister and Cabinet enhanced its coordination role by establishing the **Cabinet Implementation Unit (CIU),** which supports major whole of government activities as one of its functions. The CIU specifically focuses on the following five key areas:

1. Proactive involvement: Engagement with agencies
2. Reporting: Progress updates
3. Advice for the Cabinet: Implementation plans
4. Capability building: Building skills across the Australian Public Service (APS)
5. Policy Expertise: Making Connections

In terms of intergovernmental coordination the COAG structures have evolved over many years into a sophisticated set of systems for coordinated policy development and regulatory

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reform and appear to be working reasonably well in terms of regulatory reform. The COAG system has a number of differences from South Africa's MinMEC system, including::

1. An overarching structure guides and monitors the work of all the intergovernmental structures (called ministerial councils)
2. Different types of intergovernmental structures have been created for different functions, including special time-bound structures to take forward reform-focused initiatives (e.g. climate change, women's issues).
3. COAG structures play the role of developing policy reforms which differs from South Africa's MinMEC structures which only serve as consultation structures and not policy development structures. Targets for policy reforms are included in Partnership Agreements and national intergovernmental financial transfers are linked to progress in achieving targets.
4. There are specific criteria which are applied to determine whether issues are of sufficient priority for a ministerial council to deal with, or whether the issue should be delegated to senior officials to resolve.
5. Each Council conducts a systematic review of its purpose and work every three years. This review process helps to ensure that the structures do not get stuck in routines which may no longer be appropriate to their objectives and the constantly evolving external environment.

4   Coordination Lessons and Preliminary Conclusions for South African Coordination Structures

South Africa is not unique. Even developed countries struggle to improve coordination with highly sophisticated public management reforms failing in such countries.

Lessons and preliminary conclusions which are relevant to the South African context and, where possible, the Cluster, Implementation Forum and MinMEC structures are identified in terms of coordination success factors and enablers linked to mandates, systems/ process, and behaviours:.

Mandates: Roles/ Responsibilities: Legislative / Alternative

a) There should not be a one-size-fits all approach for coordination structures. The nature and design of the structure should be informed by its purpose and the tasks that it has been established to perform.
b) If coordination structures do not have a legislated mandate, they are easier to abolish (especially when there is a change in political power). It is not yet clear if it would be better for South Africa's Cluster and Implementation Forum structures to have a legislated mandate, or not. This evaluation will further explore this issue.
c) There may be a need to strengthen the strategic coordination role of the center of government in South Africa. Coordination roles which are being played by the center of government in some of the case study countries have included: Monitoring of outcomes; advice to cabinet specifically regarding implementation plans and risk management plans; pro-active involvement with other departments e.g. to provide advice early on in policy development processes.
d) In terms of coordinated policy (and one could argue programme) development processes, it is clear that better coordinated the development/ planning processes can reduce coordination challenges and problems when it comes to implementation. It is therefore important that attention is paid to strengthening the coordination of policy and programme planning processes.

Mandates: Leadership

a) It is clear that one needs a combination of both the right kinds of leadership, as well as relevant and effective structures and processes, to improve coordination. It appears

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that without the right kind of leadership direction and support, it is difficult for structures to meaningfully influence behaviours which support coordination.

b) Structure is important, and can facilitate coordination, but to produce behavioural changes may require the active intervention of political leaders, often political leaders at the very top of government. The differential weight attached to coordination by different politicians appears to count for more than structure.

Mandates: Clear Vision

a) It appears that the more focused the priorities are of coordination structures, the higher their chances of success. This also links to the need for strategic and focused agendas (see meeting management section below)

b) Agreement at a strategy level on key relevant strategies amongst participants in coordination structures can improve the chances of reaching agreement and being on the same page regarding actions that need to be taken to improve coordination.

Systems / Processes: Accountability/ Performance Mechanisms incl. Monitoring and Evaluation

a) There is a potential tension between performance management and coordination. Individuals and organisations have become more focused on meeting their own individual and departmental performance targets. Unless cross-cutting targets are given equal status, coordination is likely to remain on the margins (Pollitt, 2003:42).

b) It is important to develop formal agreements at or near the beginning of any coordinated effort about the respective responsibilities of the different parties/institutions involved. There need to be clear responsibility for implementing decisions made is allocated, and consequences for failure to implement these decisions.

c) Another way that cross-cutting initiatives can be promoted is through the use of a wide range of different incentive mechanisms which should complement or reinforce the operations of coordination structures wherever possible. Some of the most important incentives are.

d) There must be political commitment to undertake cross-cutting work and to engage in high level negotiation to unblock strategic coordination challenges. This commitment to cross-cutting work should be in the Ministers' performance contracts with the President. Ministers in turn need to be champions of cross-cutting coordination measures.

e) Cross-cutting activity should be visibly rewarded and that leaders should be judged and rewarded on their performance in securing cross-cutting objectives as highly as achieving purely departmental objectives. This should reflect in the performance indicators in performance contracts and should play an important part of performance evaluation. Even if staff are rated highly on their departmental performance, they should only qualify for the category 4 and 5 performance ratings (with bonuses) if they achieve above performance for cross-cutting activities.

Systems / Processes: Meeting management / sufficient resources

a) There is a need to ensure that there are clear principles and guidelines which inform the role of secretariats in supporting the effective functioning of coordination structures. At the same time, these should provide for some level of flexibility for each structure to make its own decisions regarding certain issues (e.g. inviting participants to structure meetings).

b) There is a need to ensure sufficient secretariat skills and capacity to ensure that the agendas of coordination structures are strategic and focused on issues which are appropriate to address at that level given the nature of participants in the coordination structure.

c) There is a need for greater awareness of cost-effectiveness with respect to the frequency of meetings held by coordination structures. There may be justification for an investigation into the feasibility of using TelePresence technology for MinMEC meetings (as in the Australian example) to minimise the need for travel by provincial representatives.

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d) The center of government can play an important administrative support role for the establishment and functioning of temporary coordination structures which are established to deal with specific time-bound tasks.

Behaviours: Organisational culture, shared values, relationships of trust

a) Departments working in silos appears to be a universal norm which most people are comfortable with- as such, departmentalism appears to be a dominant culture which is very difficult to break away from.

b) One of the challenges in South Africa could be the lack of both political and administrative commitment to a cross-cutting culture where there is a process of give and take. The predominant culture is one where everyone else must change to fit around what I am doing/ so everyone wants it but no one wants to give and take.

c) Leadership's role in sustaining a culture that promotes and supports a sense of individual responsibility on the part of staff is vital.

d) A culture of negotiation, or preparedness to negotiate, can be important to address coordination issues outside of formal coordination structure meetings. This negotiation can take place at various levels, from the Ministerial level down.

Behaviours: Skills, competencies, participation, representation

a) It can be argued that there is currently a severe and widespread mismatch between policy imperatives and expectations on the one hand, and capacity (including leadership capacity) of organs of state on the other.

b) No matter how cleverly designed a government coordination system may be, if institutions lack the ability and the will to give effect to policy, whether in a coordinated fashion or otherwise, things are just not going to happen.

c) To deliver joined up government, managers and staff need a broader skill set than the traditional technical skills set of policy development and program management (Allen, 2006). Appropriate leadership styles and skills are most important to developing a culture that supports joining up and delivers on successful outcomes. Managers need to be willing to take risks, tolerate ambiguity, act as mediators and build trust (Jackson & Stainsby, 2000).

d) It will be important that the South African civil service's HR and recruitment processes are informed by a clear identification of the kinds of competencies and experience which is needed on the part of officials to engage in and support the kinds of behaviours which are necessary for successful coordination (e.g. negotiation, team-work, problem-solving etc.).

Next Steps
This international case study review has identified a number of key issues and lessons which will be used to inform the evaluation of the effectiveness of the SA coordination system with a focus on the Cluster, Implementation Forum, and MinMEC structures.

This evaluation will focus on identifying how effective these structures are at fulfilling the various coordination roles which have been identified for them to fulfil, as well as whether it is appropriate that they fulfil these specific roles (or should different types of coordination issues be dealt with in other ways).

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1. Introduction and Background

1.1 Introduction

This report on international government coordination case studies forms part of an evaluation of selected South African government coordination systems (with a focus on the cluster system) and is commissioned by the Presidency: Department of Performance Monitoring and Evaluation (DPME).

The purpose of this report is to review selected experiences with government coordination systems and to identify lessons to inform potential future refinements of South Africa's government coordination system

It can be argued that coordination challenges are a contributing factor to many service delivery challenges, and protests, in South Africa and that these coordination challenges are undermining the effectiveness and efficiency of government in achieving the 12 outcomes which have been prioritised. In order to achieve the vision (which includes a developmental and capable state), and many of the priorities and targets, contained in the National Development Plan (NDP), it will be necessary to identify ways to improve government coordination in South Africa.

1.2 Methodology and Analytic Framework

The following analytical framework, which captures many key success factors and enablers for effective government coordination, was developed by adapting a similar framework developed by the New Zealand States Services (2008). The framework has also been informed by the evaluation Terms of Reference and the Presidency's 2008 review of the cluster system.

This analytical framework has been developed to guide the evaluation of government's coordination systems (which focuses on three sets of inter-related coordination structures: clusters, MinMECs, and Implementation Forums). The framework seeks to provide a coherent tool that will focus the evaluation process on the most salient and pertinent coordination issues in government

Coordination is a challenge faced by all governments. However, the way in which governments have responded to the problem varies significantly, including the creation of different structures, systems, processes and procedures in various settings to improve and maximise coordination with varying levels of success. The South African Government has similarly developed specific structures, systems, processes and procedures to optimise coordination within and across government since 1994.

The New Zealand experience identified three critical factors that impact on successful coordination. They are (1) mandates, (2) systems, and (3) behaviours.

Since it is important to use an analytical framework that will provide answers to questions related to the South African experience, the team slightly revised and adapted the model to the local context for the purposes of this evaluation. The diagram below depicts the three dimensions and the success factors, and enablers of these that inform the analytical framework:

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Figure 1 Factors and enablers of successful coordination

Factors and Enablers

Legislative

Leadership

Clear vision

Roles and responsibilities

MANDATES

COORDINATING STRUCTURES

(Clusters, MinMECs, Implementation Forums)

SYSTEMS AND PROCESSES

BEHAVIOURS

Factors and Enablers

- Accountability & performance mechanisms (incl. monitoring and evaluation)

- Effective meeting management, information sharing and sufficient resources

- Integrated planning

- Organisational Culture, shared values, and relationships of trust

- Skills, competencies, participation, representation

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The Framework identifies factors and enablers that ensure coordinated activities are successful or effective, and include the following:

Mandate:
For successful coordination, leaders must emphasise the importance of effective coordination and commit to making it work by prioritising the coordinated activity within an all-of-government context; Ministers and other stakeholders need to buy into the coordinated approach; and State servants must agree on clearly-defined joint outcomes to focus effort. The roles of each coordination structure must be appropriate, documented (either through legislation or less formally e.g. Terms of References, memorandum of understandings etc.) and adhered to;

One lesson from the United Kingdom's experience and other studies is that enforcement through a statutory duty to collaborate may be necessary for the success of whole-of-government approaches. At the very least, lines of authority should be clearly defined with enough formal details on what departments/ spheres are expected to do, particularly regarding substance and expected outcomes.

Systems:
For successful coordination, appropriate governance and accountability frameworks must be in place and sufficient and appropriate resources and meeting management systems must be in place to support effective decision-making as well as the monitoring of decision-making and enforcing accountability for implementation of decision-making. Processes should support coordinated planning of policy and programmes.

Behaviours:
For successful coordination, the right departments/ spheres/ role-players must be involved at the appropriate level/ stage and state politicians and officials with the appropriate authority, and the right skills and competencies to work collaboratively should take decisions which support coordination. Both departmental organisational culture, as well as cultures developed within specific coordination structures, must support coordination so that, over time, those civil servants involved in the coordinated activity come to share a common organisational culture, and shared priorities, terminology, and values.

A similar framework (Ling. 2002) has been developed for Whole of Government Best Practice as follows. This emphasises the development of strengthening whole-of-government values, new ways of flexible and co-operative working, and improving accountabilities and incentives and rewarding or recognising horizontal management:

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Figure 2 Whole of Government Best Practice Framework
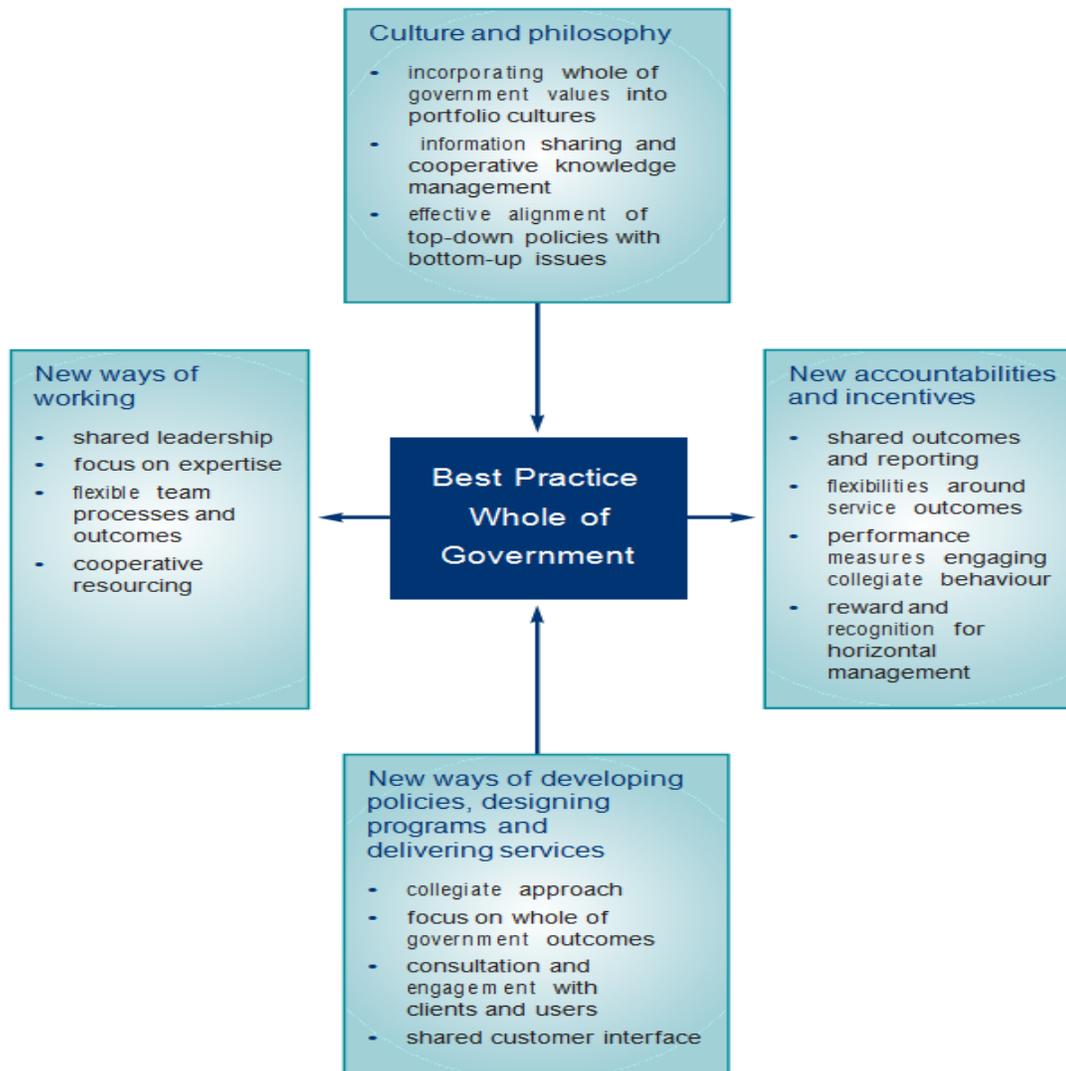
Source: Ling (2002).

Coordination can be seen within a continuum of intensity of relationships: collaboration (shared responsibility, risks & rewards), networking (exchange of information) coordination (shared work), cooperation (shared resources). Whilst separate, the three dimensions and the relationships underpinning them are interrelated and mutually-reinforcing.

The taxonomy of relationships depicted in table 1 provides a useful means of conceptualising the breadth of these relationships. This taxonomy includes networking, coordination, cooperation and collaboration.

The continuum demonstrates that not all interdepartmental and inter-sphere coordinating structures interrelationships involve formal coordinating arrangements. The extent to which goals, power, resources, risks, successes and accountabilities are shared across the continuum varies. Coordinating government approaches require collaborative relationships as depicted at the further

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end of the continuum where common goals, recognised interdependencies, high levels of commitment, and shared responsibilities and rewards are established.

Table 1: Continuum of relationships

Networking	Coordinating	Cooperation	Collaboration
Exchange of information for mutual benefit	Exchange of information for mutual benefit	Exchange of information for mutual benefit	Exchange of information
Informal relationships	Alter activities	Alter activities to achieve a common purpose	Formal relationships
Minimal time and trust	Formal relationships	Formal relationships	Enhance the capacity of another to achieve common purpose
No sharing of resources	Requires moderate time and trust	Requires substantial time and trust	Requires extensive time and trust
	Minimal sharing of resources	Sharing of resources	Sharing of resources
		Some sharing of risks and rewards	Share risks, responsibilities and rewards

Source: Victoria State Services Authority (2007).

1.3 Brief Background to the South African Government Coordination System

In 2008, the Presidency conducted a review of the cluster system. The report's findings provide a background to this section.

The report pointed out that the clusters have been established to:

a) "[enable an] Integrated and coordinated approach to policy formulation and coordination
b) Combat silos approach to governance
c) Build a collegial approach and shared perspective on government priorities."

A Presidency presentation (undated) further identifies the following objectives of the Programme of Action (PoA) system:

a) Ensure that Departments align their detailed activities with overall government priorities
b) Identify disjuncture in policy – arising out of implementation – and review such policies

In addition, since the introduction of the Outcomes Approach in 2010, whereby government identified 12 outcomes, Delivery Agreements have been developed to show how government will achieve these outcomes, Implementation Forums have been established to develop, monitor, and

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revise these Delivery Agreements. These Implementation Forums use the existing cluster structures.

Figure 3 Cluster System: Technical Implementation Forums, Implementation Forums (Minmec or Ministerial Cluster) and Cabinet Committees
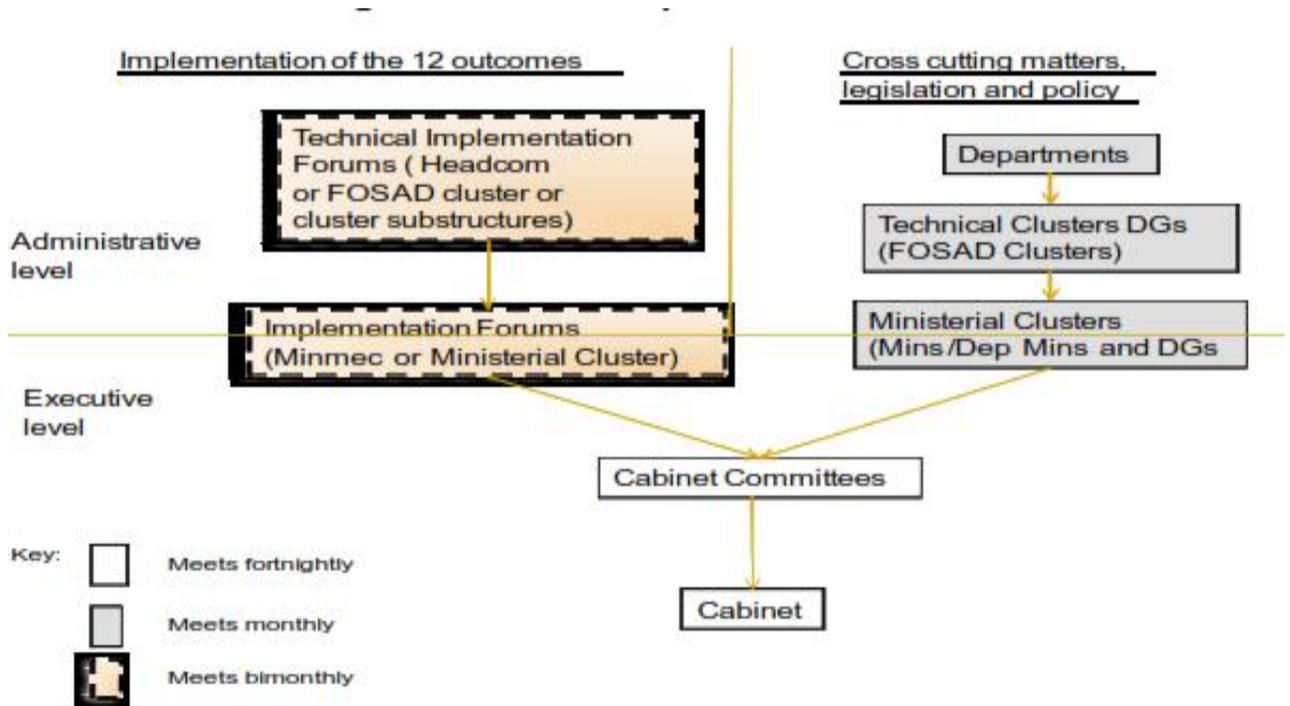
Source: Presidency (27 May 2010: p. 20)

The Presidency's 2008 review of the cluster system came to the following conclusions and recommendations:

There was poor participation in cluster meetings from DGs and DDGs as they did not see sufficient value in attending the meetings to an insufficient focus on policy and strategy. The focus of cluster meetings should be on issues which require harmonisation and this could result in shortening the frequency and/or duration of cluster meetings. In addition, there was poor participation of National Treasury in the G&A Cluster, and to a lesser extent, the Economic Cluster.

Configuration of clusters:
- The more clusters are divided into specific cross-cutting issues, the more challenges of coordination between clusters will arise.
- Clusters should consist of key departments which are core to the issues around which the cluster is formed.
- The Presidency needs to develop a Terms of Reference for each cluster, clarifying the scope of issues to be dealt with by each cluster, as well as the roles and responsibilities of clusters in relation to other institutional IGR mechanisms.

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Role and Mandate of the clusters and role of the POA:
- Clusters need to be complemented by a mechanism which integrates the cross-cutting priorities into a decentralised accountability system for individual departments.
- Control mechanisms should be put in place to ensure that the strategic plans of departments include the cross-cutting priorities, and performance measurement mechanisms should be strengthened to monitor the achievement of targets by departments.
- The regulatory framework (e.g. PFMA) does not provide a legal basis for clusters to play a decision-making role in order to fulfil their oversight role, with decision-making powers vested in Ministers and DGs. How do clusters oversee the implementation of the POA/ Delivery agreements in a way which does not conflict with departmental oversight of implementation? There needs to be clarity regarding the authority and accountability of clusters and the authority and accountability of individual Ministers and DGs.
- The POA should reflect the key priorities that cut across the three spheres of government, as well as those that cut across national departments. The PoA should contain a balanced and holistic set of key cross cutting priorities.

The report concluded that further research was needed on:
- Why some cluster sub-structures have been more successful at coordination than others.
- The role of the Presidency as the centre of the cluster system.

This evaluation will contribute towards taking forward the above-mentioned areas requiring further research. In addition, this evaluation will also confirm whether some of the findings of the 2008 report are still relevant or not.

1.4 Report Structure

Section 2 provides a general background to government coordination including definitions of coordination, why coordination is important, different types of coordination mechanisms, and general lessons

Section 3 contains case study findings and lessons from the UK, Brazil, and Australia in terms of the analytical framework themes of mandates, systems/ processes, and behaviours.

Section 4 identifies lessons from the case studies for the cluster, Implementation Forum, and MinMEC structures and government coordination generally in South Africa.

Two annexures are included:
- Annexure A: Glossary
- Annexure B: Key public sector performance management issues linked to coordination.
- Annexure C: Questions to Inform Decisions as to Whether Issues Require a Whole of Government Approach or Not
- Annexure D: Australian Cabinet Implementation Unit Functions and Reporting System

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2. Overview of Government Coordination

Section two provides an overview of government coordination and background to the coordination case studies in terms of the following:
   a) Definitions of coordination.
   b) Reasons why coordination is important.
   c) Coordination approaches and types of coordination mechanisms or tools.
   d) General government coordination lessons.

2.1 Definitions of Coordination

There are a number of definitions of coordination, including the following useful examples:

   a) A process in which two or more parties take one another into account for the purpose of bringing together their decisions and/or activities into harmonious or reciprocal relation' (Kernaghan and Siegel, 1987, p. 263).
   b) 'the development of ideas about joint and holistic working, joint information systems, dialogue between agencies, process of planning and making decisions' Perri (2004:106)
   c) The all-important duty of inter-relating the various parts of the work (Gunlick, 1937).
   d) 'The instruments and mechanisms that aim to enhance the voluntary or forced alignment of tasks and efforts within the public sector. These mechanisms are used in order to create a greater coherence and to reduce redundancy, lacunae and contradictions within policies, implementation or management' (Bouckaert et al. 2010).
   e) The sharing of information, resources and responsibilities to achieve a particular outcome (New Zealand State Services Commission. Factors for Successful Coordination.2008).

Different levels of coordination outcome are identified in the following table:

Table 1: Levels of coordination as an outcome

Government strategy
Establish central priorities
Set limits on ministerial action
Arbitration of policy differences
Search for agreement among ministries
Avoid divergences among ministries
Consult with other ministries (feedback)
Communicate with other ministries (info exchange)
Independent decision-making by ministries
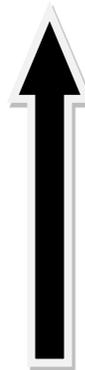
Coordination can be viewed as an end-state in which the policies and programmes are characterised by minimal redundancy, incoherence and lacunae (Peters: 1998a:296).

2.2 Why is coordination important?

The question arises as to why is coordination important? Reasons include the following:

6. The challenges facing countries are bigger than one department / agency / sector of society can solve alone;
7. By pooling the best of their resources departments/ agencies / role-players provide better

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   solutions;
8. It helps to reduce duplication and ensure Citizens and businesses can access the best service at the right cost;
9. It targets government effort at priority areas;
10. Citizens (and businesses) expect it.

Put more simply, coordination is often seen as necessary to reduce the gap between government's stated intentions and the reality experienced by citizens. Several studies on whole-of-government approaches conclude that a gap between talk and action often occurs because of significant barriers to coordination (Gregory. 2006).

Coordination is seen to be necessary when "an outcome can only be improved or attained through coordinated government action, and when the benefits… outweigh the costs…. But coordination takes time, resources and energy, so it needs to be carefully planned and focused to be effective" (New Zealand Public Service Commission.2008).

Finally, coordination has increased in importance where governments have been seeking to reassert central direction in order to improve performance (Halligan. 2008).

2.3 Coordination Approaches and Mechanisms / Tools

Various broad approaches to coordination can be identified. These approaches include **top-down approaches** (where coordination is ensured by the exercise of authority at the top), **bottom-up approaches** (which include the use of networks as well as market mechanisms to promote coordination), and **market mechanisms** (where various mechanisms including contracts and regulations structure relationships.).

In addition, coordination can take place at various stages: during the planning and budgeting process, the policy / legislative or programme / project **development stage**, and/or the policy / legislative or programme / project **implementation stage**. Top down approaches are often linked to the policy / legislative or programme / project development stage, whist bottom up approaches are often linked to the policy / legislative or programme / project implementation stage.

In reality choice between administrative and policy coordination is to some degree a false dichotomy; to be truly effective, governments require both forms of coordination. The question then becomes one of balance between coordinating the two elements of formulation and implementation (Peters, 2008b:15-17).

Another typology of coordination mechanisms is shown in figure 4 below, which identifies three categories of coordination mechanisms:

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Figure 4 Three Categories of Coordination Mechanism
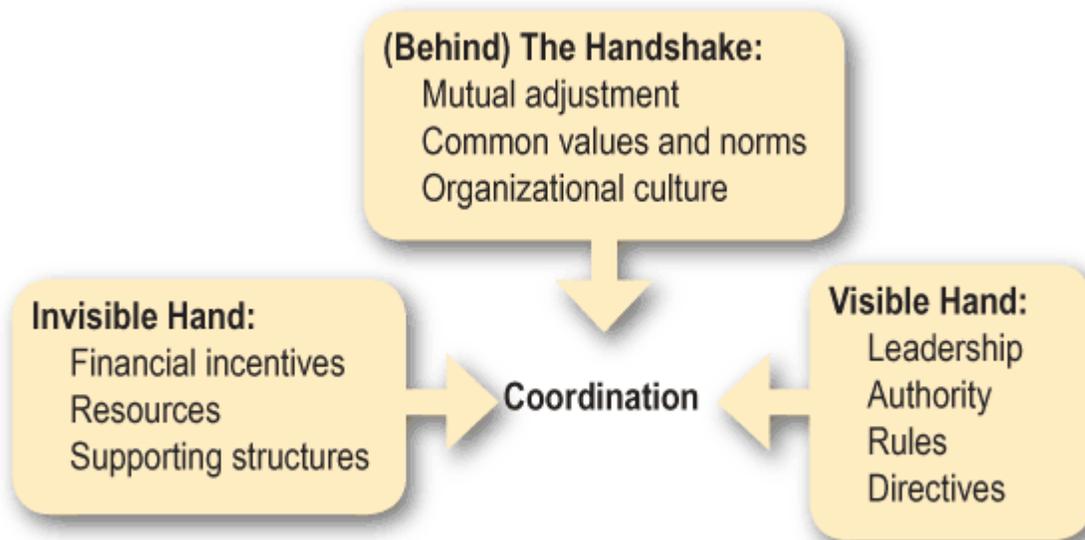
Adapted from Mansholt (2008) by Public Health Agency of Canada (accessed at: http://www.phac-aspc.gc.ca/publicat/2009/ActNowBC/section2-partie2-eng.php#bib).

The first category is labelled "Behind the Handshake" and refers to the fact that fundamental changes in organizational cultures are necessary to facilitate coordinated approaches in planning and executing programs and policies. Without this backdrop, the use of coordination mechanisms is unlikely to lead to success.

The second category, called the "Visible Hand", emphasizes the fact that strong leadership is a condition for successful coordination action.

The third category is called 'The Invisible Hand" and emphasizes the fact that coordination mechanisms and processes need to be supported with an appropriate level of resources and a sound organizational structure. Coordination initiatives may, for example, benefit from a management culture that relies less on command and control, and more on financial incentives, continual monitoring, and ongoing consultation and engagement.

Top-down approaches can work well as long as the organisations involved are well integrated from top to bottom and they have a clear mandate about what to do.

There are a number of problems with the top-down approach, including that it presumes linear implementation; almost all delegated tasks, however, involve some degree of discretion.

Bureaucrats often have technical expertise and detailed knowledge of their various fields; they are often better informed than politicians, which give them the authority to make detailed policy decisions. Lipsky (1980) in his seminal work on street level bureaucrats shows how officials such as educators and social workers make choices to enforce some rules, particularly those which protect them, while disregarding others. The large workload, inadequate resources as well as the unpredictability of clients leads to the development of practices that enable officials to cope with the pressures they face. Policy continues to be made during the implementation stage. The decisions of street-level bureaucrats effectively become policies that they carry out. Responsibility

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for ambiguous, vague and conflicting goals belongs to elected officials (also see Maynard-Moody and Musheno, 2009).

Coordination can also be implemented from the bottom up. For most social, health and educational programs the decisions that really matter are those made at the bottom of organisation. This bottom-up perspective on coordination and implementation uses the experience and knowledge of lower-level employees who are in direct contact with clients.

Pollitt and Bouckaert (2011:99) point out that coordination can also be achieved less formally, by voluntary cooperation with a network. This can be more easily achieved where objectives are widely shared amongst all network members, communications are easy and full and the scale of operation is modest in that no major administrative reorganisation is required.

Networks are considered an alternative form of governance and coordination and depend more on voluntary collaborative actions between relevant organisations. Horizontal coordination in network –type arrangements tends to depend upon bargaining, negotiating and mutual cooperation amongst individuals. The authors quote Mintzburg's 'standardisation of norms and values' as an important means for intra-organisational coordination. Norms are standardized, socialization is used to establish common values and beliefs in order for people work toward common expectations. In this perspective, a common culture that may exist amongst a set of actors may produce coordination with limited formal interaction.

This does not mean a passive role for government. The literature suggests that government can play an important role in creating, managing and sustaining cooperative networks amongst its public organisations (and other bodies) using horizontal and spontaneous coordination to enhance its policy implementation. The role and position of government is completely different from where government uses hierarchy-type mechanisms to enhance policy implementation.

A third form of coordination is the market mechanism which enables the activities of many producers/sellers and consumer/buyers to be coordinated without the instructions of the central authority. For example, the price mechanism enables the activities of many producers/sellers to be coordinated without any central authority telling them to do so. The use of contracting in the public sector can be considered a central element of market-type coordination. The problem is that the market mechanism may be effective in coordinating the buyers and sellers of a defined product, but less effective at coordinating sick people and health care.

Finally, it is useful to identify the range of specific coordination instruments or mechanisms that various countries has used, as follows (Mulgan. 2002; Australian Public Service. 2004):

- Improving government's focus on outcomes which cut across government departments and/or spheres/ levels through developing various kinds of service delivery agreements which include targets (The UK has used Public Service Agreements for this purpose. South Africa has used Delivery Agreements and Implementation Forums). ;
- Reducing the number of national departments to minimise the number of issues requiring inter-departmental coordination and enhance the ability of the Cabinet/ Center to hold Ministers accountable (this approach is sometimes referred to as the "Macro-organisation of the State") (e.g. both the UK and Australia reduced the number of national departments to +-20 in early 2000s)
- Policy making units located in the Center of Government to develop policies and strategies in a holistic manner and relatively free from departmental interests and to involve a wide range of experts from both within and outside government (e.g. in the form of policy action teams in the UK) in the policy development process;

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- Regular cross-cutting reviews of policy (e.g. through a spending review process or by the Center of government);
- New approaches to professional development eg encouraging the police to undertake the social context of crime;
- Appointment of Ministers with cross-cutting portfolios (Ministers responsible for a programme based in another department)
- Cabinet Implementation Unit: pro-active coordination role with policy expertise capacity to advise cabinet regarding implementation plans and risks involved in implementing policies before they are approved
- Inter-departmental committees to produce for e.g. coordinated policy options
- Joint task teams/ forces reporting directly to the President or Minister for dealing with dealing with difficult policy issues where there is deep contention between departments/ spheres and tight time limits
- Joined up budgets (e.g. for drugs, criminal justice) (managed by teams)
- New budgets to incentivise initiatives that would help other departments
- Networks (esp. for professional groupings)
- Coordination of purchasing through Office of Government Commerce to aggregate govt demand
- Re-shaping business processes that cut across departments

A very important issue is that the appropriate type of appropriate coordination structure and its purpose must be informed by the nature of the coordination issues to be addressed. For example, the 2004 Australian Commonwealth review found that "well run interdepartmental committees are very effective in coordination, including crisis management, and in producing policy options. Their representative nature and consensus approach to decision making can make them less useful for dealing with difficult policy issues where there is deep contention between portfolios, or in the community, and tight time limits. Dedicated taskforces under strong leadership and working directly to the prime minister, a senior minister or a committee of Cabinet have proved to be more likely to produce high-quality outcomes in these circumstances" (2004: 19).

Another important issue has been the ongoing refinement of structures, systems and processes to ensure that the use of targets is effective in addressing their intended purposes, which is that targets should provide or support the following (United Kingdom House of Common. 2005):

- a clear statement of what the Government is trying to achieve;
- a clear sense of direction and ambition;
- a focus on delivering results;
- a basis for what is and is not working; and
- better accountability.

2.4 General Government Coordination Lessons including Barriers to Coordination

Given that coordination remains an ongoing challenge in all countries, it is a given that there are many barriers to coordination. Some of the barriers to coordination identified in the international literature include the following:

a) **Cost:** Coordination is often seen as a **real cost** to an organisation rather than a potential benefit. The benefits of coordination are uncertain.
b) **Silos:** People are used to working in silos and people may be unwilling to move away from existing patterns.
c) **Ignorance** and a shortage of shared information may inhibit joint working. Ignorance refers to a genuine lack of awareness that another department has an interest in this area or is doing the same thing as you are. This may be due to incompetence. There are also more

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profound reasons. With the complexity of many policy areas there are potential overlaps with other policy areas, and many of these are not at all obvious.

d) There are often strong incentives for maintaining secrecy and hence there is poor coordination.

e) **Time** is another barrier to coordination. Coordinating programmes at single points in time is the most common format of cooperation among organisation but there are problems because organisations and programmes must work together across broader spans of time.

f) **Responsibility complexities:** In order for administrative accountability to function effectively there must be clear patterns of responsibility for action and identifiable purposes for which public funds are spent. Coordination can cloud some of these authoritative relationships and make it more difficult to trace the sources of legal power and the uses of public money.

g) **Performance systems:** There can be performance systems that work across departments and programmes and even government-wide systems. Since no organisation really owns these indicators or can be directly responsible for the outcomes according to the indicator, none of them is really accountable for outcomes. There is a clear gap in accountability. The level of commitment of any individual programme manager to achieving cross-cutting goals is likely to be less than it is for the individual programmes from which he/she and their organisation is responsible.

h) **Agencies:** Governments have added to their coordination burdens by disaggregating ministries into autonomous agencies.

i) Co-ordination is more important in a time of financial scarcity given that it is a way of eliminating redundant and inconsistent activities. Yet, as public funds become tight, there is a tendency for organisations to focus on their core functions and activities and attempt to defend themselves against perceived external threats. For example, they may not be anxious to co-operate with other organisations providing similar or even complementary services since these may fall into the category of "threat".

j) **Turf:** Turf refers to the desire to maintain or extend the range of responsibilities of the department. Page argues that this is the most widely cited mechanism preventing departments/sections from working together.

k) **Budget Protection:** Departments seek to protect their own budgets. Areas of joint work where no stable agreement about sharing of costs has been met, offer the possibility of one organisation unwillingly subsidising another. When this area is not deemed to be part of the core organisation, or part of its turf, and where the funding brings no other influence on how the service is developed, the arrangement is likely to be unattractive to one or all organisations involved.

l) **Bureaucratic Politics:** Different departments in the same organisation often view the same issue from different perspectives because their departments have different objectives, ways of doing things, and because they have been socialised into thinking and acting in different ways.

m) **Technical Reasons:** Technical reasons also contribute to silo mentality. One example is the incompatibility between computer systems. This can occur between and within departments.

On a more practical level, a 2004 Australian Public Service report on whole-of-government notes that barriers to coordination exist at a more mundane level (APS. 2004):

> Often the real challenge of whole of government work is not the large-scale, high-level, multi-lateral exercise so much as the day-to-day realities of trying to work across boundaries to make sure that outcomes are achieved.

Given that there are such a wide range of potential barriers to coordination, a major implication is that coordination initiatives should only be undertaken only when there is a clear justification and on a selective basis. In the context of focusing on outcomes and taking a whole-of-government

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approach, a strong message from the literature and case studies analysed for this report is that whole of government approaches to complex problems should only be undertaken when necessary. The 2004 review of whole-of-government case studies undertaken by the Australian Commonwealth government noted that "Although there is a conviction about the effectiveness of whole of government approaches in the case studies, there is also a warning about judicious use. It is costly and time consuming and competing political and community agendas can undermine its objectives. It may not be the preferred approach for dealing with routine, straightforward issues." (Australian Commonwealth. 2004: 10).

Annexure C contains a set of questions, identified in this report, to inform a decision as to whether a whole of government approach is needed or not.

Peters (1998b:47-49) extracts a series of lessons that can assist practitioners in solving their own coordination problems:

- The first lesson is that mere structural changes cannot induce behaviour alteration, especially if the existing behaviour is reinforced by other factors in government. Those other factors, including the budgetary process and links between programmes and powerful external interest groups, may be difficult to overcome simply by altering formal structures. Those political factors tend to reinforce the tendency inherent in most organisations to deal only with their own vision of policy problems rather than cooperating with other organisations, especially when their budgets may potentially be affected.

  Structure is important, and can facilitate coordination, but to produce behavioural changes may require the active intervention of political leaders, often political leaders at the very top of government. The differential weight attached to coordination by different politicians appears to count for more than structure. Geoffrey Mulgan, reflecting on the UK's experienced of JUG, notes that "On their own, interdepartmental committees and task forces have tended to have relatively little effect on behaviour, without substantial investment of time and political capital by the prime minister" (2002: 26).

- The second lesson is that there is often greater willingness to coordinate programmes at the bottom of organisations than there is at the top. At head offices, budgetary issues, questions of political power, and worries about influence over policy within the overall system of government tend to be dominant. At the lower echelons of organisations, services to clients tend to be the more dominant concern, with the consequence that there may be greater willingness to engage in discussions with "competitors" about ways to provide those services better. Coordination at this level may, however, be extremely inefficient. It requires breaking down a series of structural and procedural barriers that have been created by the organisations, rather than solving these problems of coordination at a policy level in the first place.

- A third lesson is that timing is important in this and all other aspects of administrative change. On the one hand, it appears that if coordination questions can be addressed early in the formulation of a programme, future misunderstandings and organisational opposition can be minimised, if not necessarily eliminated. On the other hand, if the inter-organisational questions are raised prior to the existence of a clear idea of what the policy is about, then the bureaucratic "turf-fighting" may become more important than the actual formulation of a policy intervention.

- A fourth lesson is that formal methods of coordination may not be as beneficial as the more informal techniques involving bargaining and creating market-time conditions, if not real markets. The usual reaction of governments when faced with the issue of coordination or similar challenges is to rely on hierarchy and formal organisational

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mechanisms to" solve" the problem. Central agencies are particularly prone to assume that their intervention is absolutely crucial to successful coordination. However as with coordination at the bottom of the pyramids discussed above, a better approach may be to permit those involved to address the problems themselves.

3. Government Coordination Case Studies

3.1 Introduction

Selected coordination initiatives and structures similar to South Africa's clusters, Implementation Forums and MinMECs (i.e. structures for horizontal coordination (between national departments) and vertical coordination between government levels/ spheres) are discussed from the United Kingdom, Brazil, and Australia. These lessons from these structures are analysed using the analytical framework in terms of mandates, systems/ processes, and behaviours.

3.2 United Kingdom Case Study

3.2.1 Introduction

Probably the most systematic attempt to apply horizontal coordination has been in the United Kingdom where New Labour introduced **Joined up Government (JUG)** policies. Pollitt (2003:35-36) states that JUG has four goals:

1. Eliminate contradictions and tensions between different policies, and is therefore aimed directly at increasing the effectiveness of policies.
2. Make better use of resources, through the elimination of duplication and/or contradiction between different programmes
3. Improve the flow of good ideas and cooperation between different stakeholders in a particular policy section, thus producing 'synergy' or smarter ways of working.
4. To produce a more integrated, 'seamless' set of services, from the point of view of citizens who use them. A one-stop shop' may enable a resident to pay local taxes, get information about improvement grants, access local public health services and get advice from a Citizen's advice bureau.

The Cabinet Office and the Treasury have responsibility for promoting and achieving JUG. The Office of the Public Service Reform which is based in the Cabinet Office has responsibility for a wide-range of cross-cutting initiatives (such as combating social exclusion).

Ling (2002:623) points out that the Cabinet Office's Performance and Innovation Unit wrote a number of reports outlining the skills, budgeting arrangements and leadership styles that would be needed to facilitate joint working.

The Cabinet also issued a range of guidelines to encourage best practice in JUG. This included a good practice data base and the Public Sector Benchmarking Service. The Cabinet Office also encouraged 'learning laboratories' to experiment with different ways of joint working. Along with the Treasury, the Cabinet Office developed the Invest to Save Budget in 1999 to which agencies can apply for funding for projects, which had a joined up element to them. It was designed to stimulate partnerships by funding projects that involved two or more public sector partners working together in innovative ways.

Beuselinck (2010:128) states that the Treasury played an important role in the JUG approach oriented towards value for money and accountability of results, including cross-organisational

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results. Beuselinck (2010:124-129) argues that the main instruments of coordination were the Prime Minister and the partially restructured Cabinet Office. Separate coordination units were created within the Cabinet office for handling cross-organisation policy fields, including the Performance and Innovation Unit, the Social Exclusion Unit, the Women's Unit and the UK Anti-drugs Innovation Unit.

In essence, the UK approach to coordination was driven by the center of government (Cabinet Office and Treasury) and was largely top-down (although certain processes also included bottom–up stakeholder participation including the development of cross-cutting policies). A wide range of coordination mechanisms were put in place to promote JUG, including attempts at broader cultural change. The UK did not put in place coordination structures which were similar to South Africa's Clusters or MinMECs, however it did use the mechanism of Public Service Agreements which have some similarities to South Africa's outcome system and Delivery Agreements.

The following coordination structures / mechanisms are briefly described before identifying lessons in terms of mandates, systems and behaviours:

- The Public Service Agreements System (PSAs) (established in 1998 and abolished in 2010)
- The Strategy Unit (SU)
- The Social Exclusion Unit which developed a National Neighbourhood Renewal Strategy.

3.2.2 Public Service Agreements

The British performance management model has largely been a centralized, "top-down," approach in which lower tier organisations are mandated—either legally or administratively—to produce performance reporting data. The Public Service Agreements System (PSAs) were seen as the international model *par excellence* for the setting of performance targets broadly linked to the budget process and, therefore, as the pinnacle of the whole system (Talbot, 2010).

PSAs were introduced in 1998 and detailed the aims and objectives of UK government departments for a three-year period and describe how targets will be achieved and how performances against these targets will be measured. PSAs were established between the finance ministry (known as Her Majesty's Treasury) and individual government departments, and subsequently cascaded throughout the public sector in an effort to ensure delivery alignment. The focus of PSAs was on monitoring service delivery, not policy-development

The agreements consisted of departmental aims, a set of objectives and targets, and details of who was responsible for delivery. There were also Local Public Service Agreements, which are voluntary agreements negotiated between a local authority and the Government. The overall aim of LPSAs was to improve the delivery of local public services by focusing on targeted outcomes with support from national government.

An example of how a PSA target within the Public Service Agreement for public safety was handled is as follows (Kamensky. 2010):

> *The British Home Office, which is responsible for immigration, policing, and drugs, set a challenging target to reduce vehicle crime by 30 percent between 1998 and 2004. The result was a particularly broad and innovative policy response, including working with car manufacturers to improve vehicle security standards, introducing a new voluntary standard for car parks in the United Kingdom so that police forces accredited those car parks that*

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> *had good security measures in place, and advertising campaigns to encourage car owners to be more careful. . . .*
>
> *. . . . The overall impact of these measures was particularly impressive. From the year before the target was adopted to the year it expired, vehicle crime fell by 46 percent in the United Kingdom, and thefts of vehicles—which form about a tenth of vehicle crime in the United Kingdom—fell by 43 percent.*

It is well known that there are many potential pitfalls to the effective use of targets. As a result, there were ongoing refinements to the systems and processes surrounding how targets were used. For example, the National Audit Office was asked to conduct independent assessments of whether and how far targets were met.

Talbot (2010) points out that PSAs were essentially a double contract. They are first and foremost contracts negotiated between the Treasury and spending Ministries and have been described as encompassing "resources in exchange for reform" and/or "resources in exchange for delivery." They have also been described as contracts between the government collectively and "the people and Parliament" about what the government would deliver in terms of services and reform in exchange for the additional resources being devoted to public services. This meant that there was some lack of clarity about exactly what sort of contracts and between whom.

Furthermore, PSAs were also clearly not "contracts" in the legal sense: they had no legal standing. Actual spending decisions continued to be enacted through annual Budgets legislation. Notwithstanding this, PSAs had substantial political and administrative energy behind them and in some areas in particular (such as health and education) they clearly had some real clout.

Talbot states that targets set out in PSAs proved immensely valuable by providing a clear statement of what the Government is trying to achieve. They set out the Government's aims and priorities for improving public services and the specific results Government was aiming to deliver. He concludes that PSAs contributed to a real shift in culture in Whitehall away from inputs and processes towards delivering outputs and results.

PSAs were monitored by both the Prime Minister's Delivery Unit and departmental select committees which were established for each national department.

A recent 2012 reflection (Sir Suma Chakrabarti. 2012) on some of the lessons PSAs identified the following:
- First, the public, politicians and the best public servants are motivated by improving outcomes. So we should prioritise data on outcomes and be clear that the rest is internal management information.
- Second, we should design datasets with our staff to garner their ideas, and test these on the public to see if they excite or dull the senses: transparency without engendering a debate seems pointless.
- Third, if court X is to match the performance of court Y, then its managers need to be held accountable in a measurable and time-bound way.

Finally, there has been recognition that top-down approaches such as the PSA should be complemented by other bottom-up accountability measures. For example, the involvement of communities in citizen monitoring and the use of "open data" approaches for assessing progress is becoming more common as internet and IT barriers and costs continue to fall.

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3.2.4 Strategy Unit (SU)

The Strategy Unit (SU) was created in 2001 and dis-established in 2010. The SU had 3 primary main roles[1] which were relevant to supporting the Prime Minister in terms of strategic and analytical capacity:

- Carrying out strategy reviews and providing policy advice in accordance with the Prime Minister's policy priorities
- Supporting government departments in developing effective strategies and policies, and helping them build their strategic capability
- Conducting occasional strategic audits, and identifying key challenges for the UK Government

The SU investigated substantial issues that cut across departmental boundaries, posed long-term challenges and required sophisticated analysis.

The most important contribution of SU work to the Spending Review (SR)/PSA system has clearly been on the Spending Review and budget planning—helping to set government priorities. They also played a substantial role in the discussions about formulating PSA performance targets. The SU has also produced a handbook on" strategy" that encompasses performance issues and has also attempted to stimulate debate on how to measure performance and "public value". Finally, one of the papers published by the SU was a 'Strategy Survival Guide' to support strategic thinking and evidenced-based policymaking.

Over its history the Strategy Unit varied in size, averaging around forty-five staff but at one point reached ninety. Competition to work in the Strategy Unit was fierce and the unit traditionally drew in high flyers from academia, the city, top consultancy firms and think tanks and from the Senior Civil Service.

3.2.5 Social Exclusion Unity (SEU) and Joined-Up Policy/ Strategy Development[2]:

One of the most prominent structures of JUG was the SEU which was a cross-departmental policy development team located in the Cabinet Office. The SEU coordinated a policy development process to develop a **National Neighbourhood Renewal Strategy** to address the most deprived areas of England.

18 **Policy Action Teams** were set up. These units consisted not only of senior civil servants from various government departments (education, statistics, trade and industry(DTI), housing local government, transport and regions, health social security, but also academics (ranging from 1 to 5

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[1] http://www.publications.parliament.uk/pa/cm200607/cmselect/cmpubadm/123/12305.htm#a3

[2] This discussion of the Social Exclusion Unit is largely based on an interview with Michael Noble (who coordinated the Policy Action Team on Data) conducted by the researchers in May 2013.

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days secondment), NGO's, private sector and local government. What is useful to note about the invited local government representatives is that they were not general representatives of organised local government. Rather individual officials from selected municipalities were invited on the basis on specific expertise.

A White Paper policy document was developed. The mandate of the task teams then expired. The SEUnit was moved out of cabinet into DTI. It then degenerated into silos all protecting budgets and worked as silos. The Departments stopped sharing their data.

There was however a neighbourhood renewal fund e.g. housing, built environment, neighbourhood service etc. There was a New Deal for Single Parents. The aim was trying to get single parents to work in supportive manner. Getting people off welfare was not the cheapest option. There was a multi-stakeholder attempt to improve design and support government departments to improve their policy. There were resources in place to support a cross-cutting policy.

The view of Michael Noble (personal interview, 2013) was despite that there were good people running the unit, the extent to which they could pull service delivery departments in in joined up way was limited.

3.2.6 Selected Coordination Lessons from the UK

The following selected lessons are highlighted using the analytical framework for successful coordination factors and enablers:

Table 2 Selected Coordination Lessons from the United Kingdom:

Coordination Factors	Coordination Enablers	Lessons
Mandates	Roles/ Responsibilities : Legislative / Alternative	Outcome focused delivery agreements, such as PSAs, can play an effective role in linking budgets to civil service reforms as well as encouraging officials to develop innovative solutions designed to impact on outcomes. Nevertheless, many challenges exist with respect to ensuring that such agreements contribute meaningfully towards improved coordination and accountability.
	Leadership	The active support of the Prime Minister for structures responsible for developing cross-cutting policies and strategies greatly enhances the policy/ strategy development process. Having the Head of a cross-cutting strategy/ policy development structure report to Prime Minister can secure appropriate cooperation from multiple departments (including securing sensitive information). Also, the location of cross-cutting policy/ strategy structure in Center of government facilitates access to Prime Minister.
	Clear Vision	A new term of office and government leadership can highlight the importance of JUG/ coordination and create excitement around a vision involving improved coordination which can energise the civil service to better support coordination initiatives and structures. However, it can be difficult to sustain this energy and for this to overcome traditional barriers to coordination.
Systems / Processes	Accountability/ Performance	There is a tension between performance management and coordination. Individuals and organisations have become

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Coordination Factors	Coordination Enablers	Lessons
	Mechanisms incl. Monitoring and evaluation	more focused on meeting their own individual and departmental performance targets. Unless cross-cutting targets are given equal status, coordination is likely to remain on the margins (Pollitt, 2003:42). Agreeing on clear outcomes and targets is a useful mechanism to clarify priorities and focus government attention. However, substantial energy is required to develop and refine supportive information management systems and performance management systems if these are to play a meaningful role in supporting real improvements in coordination and performance. The involvement of communities in citizen monitoring and the use of "open data" approaches for assessing progress is becoming more common as internet and IT barriers and costs continue to fall.
	Meeting management / sufficient resources	No clear lessons.
	Integrated Planning	The center of government can play a role in ensuring that policy development processes include a wide range of relevant stakeholders who are selected on the basis of specialised expertise to ensure that policy development is informed by a wide range of relevant perspectives, including relevant departments. Policy action teams (or task teams) reporting to a unit located at the centre is one mechanism to achieve this.
Behaviours	Organisational culture, shared values, relationships of trust	Even with a strong drive from the top of government to develop a whole-of-government culture within government, it is extremely difficult to change in-grained, departmental-based, ways of behaving and operating.
	Skills, competencies, participation, representation	It is recognised that there may be a need for the center of government to possess high level analytical and strategy skills to support departments to design and facilitate coordinated strategy and policy development. It is also recognised that government needs to find ways to facilitate policy and strategy development processes which do not only rely on technical inputs and advice from departments, but also solicit these from other external sources (e.g. academia etc.). The use of Policy Action Teams for this purpose, and reporting to a senior government official in the centre of government who had reported on progress to the Prime Minister was a useful mechanism in the UK.

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3.3 Brazilian Coordination Case Study[3]

3.3.1 Introduction

Brazil's Federation is made up of three interlocking tiers: Municipalities, which are themselves federal entities, States and the Union. Federal systems are characterised by high levels of fragmentation which makes both horizontal and vertical coordination difficult.

As of 2011 the federal government had 1.130.552 civil servants, accounting for 12 percent of total public employment in Brazil. The state governments employed in 2012 a total of 2.627.930 public servants (about 27 percent of the Brazilian public servants), which is more than twice the size of the total number of public workers of the central government. In 2011, the municipal governments together employed 5.637.624 people (about 59 percent of Brazilian public servants), which is almost five times more than the number of civil servants working for the central tier of government. These numbers show that the subnational tiers of government in Brazil have a significant autonomy to manage the largest public work force in the country. Their human resource powers give these governments autonomy in designing and implementing public policy.

The Brazilian intergovernmental system is based on a Presidential system with a strong executive where the President exerts a great deal of control, but is confronted with fragmented multiparty legislature.

The fragmented multiparty system in Brazil is reflected government in the following way: the elected President negotiates with a wide range of relatively minor political parties on their support on a number of issues, among them the control of ministries. Ministers are therefore politically appointed, which ensures that the governing base supports government's proposals in the Parliament.

As a consequence, in general ministers enjoy freedom to define the way their ministries should operate, unless in highly sensitive areas of government are concerned. The norm then is that ministers from different political parties, largely follow their own political agendas. For the functioning of ministries, this has an important impact. Most key positions in ministries are politically appointed, and ministers use that political power to increase the recruitment channels for the government. This means that ministries tend to be technically weak. Both of these factors makes both horizontal and vertical coordination difficult (Queiroz and Rodrigo 2012).

The following two types of coordination structures are discussed in more detail:
- Inter-governmental Forums (similar to South Africa's MinMEC structures)
- Sectoral Policy Chambers for horizontal co-ordination (similar to South Africa's cluster structures)

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[3] This section on the Brazilian case study was largely written by a researcher with specialised knowledge of the Brazilian government system and who was able to access and translate available documentation which is largely written in Portuguese.

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In addition to these types of cooperation mechanisms, Brazil developed two other institutional mechanisms that affect intergovernmental relations in the country, however, these are not discussed as they do not have similar mandates/ roles to the 3 South African coordination structures which are the focus of this evaluation.

- The first mechanism is the public consortium, which has been designed to allow the creation of partnership between and within tiers of government for the delivery of specific services. This partnership is created with a legal contract wherein public officials agree on a voluntary basis to cooperate with each other to deliver public services.
- The second institutional mechanism is the process of judicial review, which involves the judicial branch of government as an intergovernmental institution of conflict resolution.

3.3.2 Inter-governmental Forums

Brazil has had some success with respect to intergovernmental forums (i.e. MinMEC type structures).

In the years following the transition to democracy in Brazil, intergovernmental relations in the country were poorly institutionalised. Part of the reason can be found in the failure of the 1988 constitution to create a coordinating framework for different tiers of government to interact (Costa, 2003).

The first intergovernmental forums in democratic Brazil were established in the 1990s in the health and educational sectors. These sector-specific forums were designed to foster policy coordination.

Intergovernmental forums in Brazil can be of two types: sector-specific, and non-sector-specific. The sector-specific forums are designed with a mandate to coordinate policies of one area (e.g., health, education) between tiers of government. These forums, although being sector-specific, differ in terms of organization. For example, the intergovernmental health forums in Brazil are regulated by a ministerial directive with a clear mandate to formulate municipal, state and national health plans. In contrast, the main education forum in Brazil is regulated by an organic law under a broad mandate. The main education forum in Brazil, the National Education Council (CNE), is regulated by Law 9.131/95, which establishes a broad mandate for the council, namely to consolidate and develop the national educational system. Whereas a ministerial directive that regulates the vertical health forums in Brazil (e.g., CIT) narrowed the mission of these structures, the national educational law has kept the mission of the main educational forum vague.

These forums share some minimal resemblance with the South African MinMECs. In contrast to the MinMECs, the sector specific forums in Brazil do not share a homogenous structure across the sectors. The participants of the Brazilian forums have a more heterogeneous representation and a larger number of representatives than in South Africa. Furthermore, and in contrast to South Africa, on the whole decisions and agreements reached in the sector-specific forums are binding.

Some of these forums can be considered institutions that are instrumental to foster horizontal cooperation. However, there are indications that these forums are not effective in promoting horizontal coordination. One of the main reasons behind the failure of producing formal mechanisms of horizontal coordination in Brazil has to do with the political dynamics in the country. In Brazil ministerial positions are politically allocated based on the necessity of the Brazilian president to build political coalitions (Armijo et al. 2006). This leads to horizontal fragmentation and lack of any sustainability of any attempt create horizontal coordination policies.

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Evidence shows that horizontal coordination is best achieved through non-governmental institutions (especially in the health sector) and, more recently, through the direct involvement of the presidential office.

Over time, fiscal forums were created and eventually an all-embracing forum with an open federal agenda was created.

From approximately an average a total of 33 meetings a year in the first half of the 1990s, this number increased to 45 meetings in the second half of the 1990s. From 2003 onwards, all the formal intergovernmental forums met on average a total 58 times a year (See Table 3). These meetings are organised by five intergovernmental forums —the National Educational Council (CNE), National Council for Fiscal Policy (CONFAZ), the Committee of Federative Affairs (CAF), the Tripartite Inter-Managers Commission (CIT), and the Bipartite Inter-Manager Commission (CIB).

Table 3: Traditional Intergovernmental Forums

FORUM	CREATION YEAR	SECTORS	MAIN ORANIZATIONAL FEATURES
National Education Council (CNE)	1996	Education	The CNE meets 6 times per year to discuss issues proposed by the Ministry of Education. As a consultative forum where, the policy recommendations after deliberations are not binding
National Council for Fiscal Policy (CONFAZ)	1997	Fiscal	It provides the opportunity for the state and municipal governments to meet in order to align norms and rules of the national tax system. The Confaz meets 4 times per year and any agreement reached is adopted under a consensus and it is binding
Committee of Federative Affairs (CAF)	2003	Non-sector specific	Representatives of national ministries and members of the 3 municipal associations meet on a monthly basis to discuss potential collaboration in a wide range of strategic issues
Tripartite Inter-Managers Commission (CIT)	1991	Health	It brings together national, state and municipal health officials to take binding decisions in the health sector. The CIT convenes 12 times every year
Bipartite Inter-Manager Commission (CIB)	1993	Health	It brings together state and municipal health managers in each state of the federation. The CIB meets 12 times per year

Generally speaking, it is possible to say that cooperation in the health and fiscal sectors has been more successful than in the educational sector. In the former two sectors, the source of their success is different.

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In the educational sector the low capacity to coordinate was the result of institutional factors characterised by power concentration in the presidency under a dispersed educational regulatory framework. This mismatch between power concentration and a loose regulatory framework produced a situation in which the CNE failed to effectively coordinate educational policy. Eventually policy alignment in the educational sector was reached by the adoption of legislative measures conditioning central government transfers to the implementation of certain requirements (e.g., minimum salary of teachers, pupil's enrolment) in the educational sector.

Health cooperation: the CIT, the CIB and the CONASS
In 1993 the Ministry of Health issued a ministerial directive known as the Basic Operational Norm, which was designed to foster intergovernmental cooperation in the health sector. This directive provided specifications on the decision-making process involving all levels of government in future health policies. One of the most important innovations of the NOB was the introduction of a deliberative policy-making forum with the participation of subnational governments. The CIBs are established in each state of the federation. The CIBs, which are regulated by the state, are usually are composed of officials nominated by the state department of health and managers nominated by the state association of health managers.

With the growth of health regions as a result of increased decentralisation and autonomy of states and municipalities, there has been an increasing need to coordinate actions between states and municipalities in these regions. In 2006 the Health Ministry created a framework for the establishment of instruments to develop these health regions. As a consequence, the Regional Management Boards were created bringing together municipal and state officials to take joint decision-making concerning these health regions.

The health sector is also known for horizontal cooperation within tiers of government. This is the case of the National Council of State Representatives (CONARES), which is organised every month by the non-governmental organisation called the National Council of the Municipal Health Secretaries (CANASEMS) every month. CONARES attempts to enhance cooperation between municipal health experts across the Brazilian states. This forum convenes with the participation of the governing body of the CANASEMS and three representatives from each federal state, the president of the Municipal Council of Health Secretaries (COSEM) of each state, the municipal secretaries of health of the capitals, and the representative of the municipalities appointed by the COSEMS. The CONARES' projects, programmes, agreements and by-laws are approved by simple majority. At the state level, a non-governmental organisation, the National Council of the State Health Secretaries (CONASS), also holds technical meetings on a regular basis to strengthen horizontal cooperation.

Education cooperation: the CNE
As far as the educational sector is concerned, the first educational reform measure under democracy occurred in 1995 with the creation of the National Education Council (CNE). The Complementary Law 9131/95 formally established the CNE with the participation of the states' secretaries of education as councillors. The CFE has many important mandates, including the development of the national curriculum and the national educational plan, the discussion of proposals concerning new legislation on education, and the maintenance of intergovernmental exchange of information, among others.

The CFE has two deliberative structures: the basic education chamber and the higher education chamber. In these chambers deliberations are rather limited as the members only deliberate over issues proposed by the Ministry of Education. This forum is an example of an institution that brings subnational entities together in order to gain their support in pre-designed policies (Saviani 2010).

The low coordination capacity of the national government in the educational sector has created several problems concerning evaluation and monitoring of subnational performance. As a

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consequence, the national government passed national legislation, against considerable opposition of state governors, municipalities and left-wing parties, creating an educational fund, namely, the Fund for the Maintenance and Development of Primary School Education and the Development of Primary School Teaching (FUNDEF). The FUNDEF made the transfer of national governments' funds to the state and municipalities conditional on children enrolment. Ten years later, in 2007, another law was passed establishing the Fund for the Maintenance and Development of Education Professionals (FUNDEB), which earmarked the percentage of the transfers to be devoted to pay the teachers' salaries. These initiatives can be interpreted as a response of the central government to its inability to create a consensus on basic policies, and to guarantee adherence.

The attempts to increase the coordination dynamics in the CNE is being developed together with propositions to create a new national educational cooperative institution, which would enlarge the number of members including members of the civil society. A National Education Forum was created in 2010. Brazil holds national Education Conferences to open channels of dialogue with civil society (each National Conference is preceded by Municipal, regional and State level conferences). The Conferences are discussion forums and also influence and guide public policies. The National Forum on Education coordinates the National Conference. The Forum meets regularly and its operating costs are covered by the Ministry of Education. The plan is to replicate this system at State and Municipal level in order to encourage debate and participation in the development of Education Plans.

Centre-municipal cooperation: the CAF
The first all-encompassing intergovernmental forum in Brazil, the CAF, was created in 2003, but it was only formalized in 2007 by a presidential decree. The CAF excludes the federal states and, as such, it is a forum that attempts to foster cooperation directly between the central government and the municipalities. The CAF meets once a month and brings together 37 members, 19 appointed by the presidency and 18 members appointed by the three municipal associations, the ABM, CNM, and the FNP.

The CAF was an initiative of the central government and the committee is directly linked to the Brazilian Presidency through the Secretary of Federative Affairs (SAF Since the CAF gained statutory authority in 2007, the main outcome of its meetings has been the creation of working groups on different issues. Between 2007 and 2011 eight working groups were created to discuss the participation of municipalities in tax reforms, development of the national education development plan, school transportation for children, training of municipal officials, simplification of procedures for the formalisation of consortiums, and development of cross boarder collaboration with Mercosur countries.

3.3.3 Sectoral Policy Chambers and the case of Social protection[4]

A major study was carried out of Brazil's social protection policy (Faria, 2002). He argued that when it came to social protection, the importance of policy harmonization and coordination mechanisms cannot be overstressed.

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[4] This section based on Faria (August 2002).

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The responsibilities for executing the different elements of Brazilian social policy are divided up among the Union, the states and the municipalities.

Implementing the more than fifty programmes through which the social protection measures are expressed involves complex intergovernmental relationships at the federal level and no less complex intergovernmental relationships with other entities of the federation. In addition, many of these programmes also have normative or regulatory councils, made up, in varying proportions depending on the council, of representatives of the Federal Government, the states, the municipalities, specific social segments –such as employers and workers– and of civil society as a whole. These councils are often split up into federal, state and municipal councils.

This fragmentation poses considerable harmonization problems for budget design and preparation, and for the regulation, implementation and evaluation of social policies.

The major problem is macro political harmonization and coordination, especially as regards financing and budgeting, on the one hand, and political coordination for carrying through the desired reforms, on the other.

The bodies responsible for these functions either come under the Office of the President of the Republic and receive an explicit mandate, together with the support and direct participation of the President, or else they are divided up among the Civil Department, the General Secretariat of the Office of the President of the Republic, the Office of the Attorney General of the Union and the Office of the Special Advisor in the President's cabinet. The Minister in charge of the General Secretariat of the Office of the President is responsible for liaison and coordination between the Executive and Congress, state Governors and political parties. In addition to their specific functions, the Office of the Attorney General of the Union and the Office of the Special Advisor assist the President and ministers.

The most important initiative undertaken to improve the federal / national administration's performance was the creation of **sectoral chambers**, which brought together ministers by subject areas or macro-problems, under the operational direction of the Minister in charge of the Civil Department.

The following sectoral chambers were created: the Economic Policies Chamber, the Infrastructure Chamber, the Social Policy Chamber, the State Reform Chamber and the Security and Justice Chamber. They met regularly –weekly or fortnightly– and were made up of the Minister in charge of the Civil Department who coordinated them– the Secretary General, the Minister of Finance, the Minister of the Budget, Planning and Management, the sectoral ministers and the presidents of decentralized agencies and state banks, where appropriate.

The President of the Republic participated actively in these meetings as often as deemed necessary by the Minister in charge of the Civil Department and the Executive Secretary of the Chamber. At first, the composition of these chambers was fixed, but experience has shown that it is more appropriate that it should vary depending on the problems of harmonization and coordination to be addressed.

These chambers have had varying degrees of success; among the most successful are the Economic Policy Chamber (which met once a week and was almost invariably attended by the President of the Republic), the Infrastructure Chamber and the Social Policy Chamber.

The Social Policy Chamber acted as the coordination mechanism for the social development strategy. Its relative success (especially in the first years of its existence and in the implementation of the strategy) has been be attributed to four factors, all of a political nature:

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- the active commitment of the central government authorities, especially the Office of the President of the Republic;
- the general coincidence of views, although not without conflict and arduous negotiations, among the ministers of the main social areas (social security, health, education, labour, and peasant agriculture and agrarian reform);
- the fact that the majority of its members are highly skilled technical staff and persons enjoyed the highest trust by the President of the Republic; and
- the sensitivity and discipline shown by the economic authorities–although once again not without conflicts and disagreements– with respect to the decisions taken in the Chamber and endorsed by the President of the Republic.

A second important aspect of the problem of coordination referred to social protection activities which involved conflicts and which required collaboration between different sectors of the social area of the Federal Government for the implementation of a programme or project. A significant number of such programmes and projects were most innovative and sought to reform the profile of Brazilian social policy and required collaboration. For example, the Bolsa-Escola scholarship programme required close operational collaboration between the Ministries of Education, Social Security and Welfare, and Justice, as well as the Federal Economic Fund.

A third aspect of the coordination of social policies at the federal level referred to problems relating to the regional and social orientation of programmes and their convergence.

On the basis of their own experience –especially regarding the unsuccessful initiatives of this type taken with many of the social funds undertaken in the past, the Brazilian decision-makers had dismissed the idea of concentrating these targeted programmes and convergence mechanisms within a single agency.

Over time, the Brazilian Federal Government developed a set of procedures, mechanisms and structures for dealing with this difficult issue. The starting point was the creation of a programme under the Civil Department of the Office of the President of the Republic, known as the Solidarity Action Programme, which, after passing through various stages, has split up into three or four mechanisms and structures.

On the one hand, the Federal Government set up and provided logistical and administrative support for a Council made up at present of four ministers (of the Civil Department, Finance, Planning and Justice), twenty persons from different segments of civil society with a recognized record of participation in initiatives for combatting exclusion and poverty, and Ruth Cardoso, then First Lady of the nation. Through this Council, partnerships were formed between the government (federal, state and municipal) programmes, sectoral programmes and different sectors of civil society (firms, universities, trade unions, churches, etc.), in order to develop innovative social policy activities in conjunction with segments and regions selected for their needs and deficiencies. Some of the most successful initiatives in this area were: the literacy programmes for young people, financed by private firms with support from the Ministry of Education; the professional training programmes for young people, developed by non-governmental organizations, prefectures and trade unions, with the support of private firms and the Ministry of Labour; the incentive programmes for voluntary action, with support from the Ministry of Justice, and a programme for mobilizing the university community for the execution of community development projects with support from the Ministry of Health and Education, the armed forces and private companies. These initiatives, which in general began on an experimental basis and on a small scale, spread once they were successful and took in different segments of the public and the private sectors as well as the tertiary sector.

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After a few failed experiments, the Federal Government then pushed some initiatives, coordinated by the Office of the President of the Republic, under the operational responsibility of an executive appointed by the President; the objective of these initiatives was to carry out in a coordinated and synergistic way a subset of programmes for the poorest areas in the country, selected according to social indicators such as those included in the UNDP Human Development Index and available to all municipalities in the country.

One of these objectives was referred to as the Alvorada Project, consisted of a set of twelve programmes prepared within the framework of the ministries of education, health, social security and welfare, and sports and tourism, among others. It was supported by a Poverty Alleviation Fund whose purpose was to provide Brazilian municipalities where the human development index is very low (under 0.500) with the basic infrastructure necessary for social and human development activities. The   programmes were conducted on a sectoral basis. The objective of the initiative was to ensure that these sectoral programmes reached those municipalities on a priority basis and that they are executed jointly by the authorities and local civil society. Their problems of inter-sectoral coordination were dealt with and resolved within the ambit of the Office of the Executive Secretary of the Social Policy Chamber. Here, once again, the idea was to create operational mechanisms with political backing, rather than centralized bureaucratic structures.

Another aspect of the harmonization and coordination of social policies was the relationships between the different levels of government. In Brazil, although the Federal Government has always played a strategic role in the financing and establishment of guidelines for social protection programmes, their operational execution has become increasingly decentralized and is left to the states and municipalities. This poses enormous problems of coordination and articulation in a country as large as Brazil and with its very special federal system. Although numerous initiatives are underway for addressing these problems, they are so highly dispersed and persistent that it is unlikely that the Brazilian experience can serve as an example for a large-scale project that could be successful in this respect.

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3.3.4 Conclusions and Lessons

In Brazil vertical coordination is more important than horizontal coordination. Because of the federal system the centre cannot impose its will on the states. There is a relatively weak central state which has to rely on negotiating with state governors to get things done. Politics and negotiation is far more important than horizontal government coordinating mechanisms.

There is no uniform MINMEC-type structure as found in South Africa. Each sector has developed its own form of IGR structure. In Brazil, for most part, the decisions and agreements reached in the sector-specific IGR forums are binding.

Inter-governmental relations in Brazil have evolved under decentralising reforms envisioned in the 1988 constitution. Given the complexity of the issues at stake, these reforms in Brazil have been piecemeal in nature (Schneider, 2007; Falleti, 2009). The promotion of cooperation has followed suit and was created slowly and unevenly across different sectors. Nonetheless, it may be said that the process has been successful. The success of the Brazilian case rests on the combination of intergovernmental mechanisms —forums, consortiums, and judicial review— that created institutional robustness. This robustness is characterised by bargaining between tiers of government under an overlapping network of institutions that steer and collaborate in policy-making and implementation.

The Brazilian intergovernmental system of cooperation has been successful because it has been able to overcome the initial policy grid-locks through different institutional mechanisms. This system has key characteristics that are worth highlighting:

- A complex and yet flexible system that can accommodate different degrees of conflict through different channels of cooperation;
- It has been largely built by developing cooperation in sector-specific forums;
- A versatile system that has displaced territorial conflict from the intergovernmental arena to the judicial arena, providing as a result a constitutionally based solution to conflicts;
- An increasingly less hierarchical inter-governmental system in which a wide constellation of actors and institutions operate.

The following lessons can be identified from this case study in terms of the coordination analytic framework of coordination success factors and enablers:

Table 4 Selected Coordination Lessons from Brazil

Coordination Factors	Coordination Enablers	Lessons
Mandates	Roles/ Responsibilities: Legislative / Alternative	Horizontal coordination between national departments is a major challenge in Brazil partly due to national Ministers being appointed from different political parties due to political dynamics in the country. In Brazil ministerial positions are politically allocated based on the necessity of the Brazilian president to build political coalitions (Armijo et al. 2006). This leads to horizontal fragmentation and lack of any sustainability of any attempt create horizontal coordination policies. Nevertheless, in this context, the Presidency as well as NGOs can play an important horizontal coordination role. Where municipal and provincial levels of government have strong constitutional mandates to deliver certain services (e.g. health, education), national government sometimes has to use its fiscal power as a policy alignment coordination mechanism in the form

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Coordination Factors	Coordination Enablers	Lessons
		of conditional grants and funding conditionalities to link funding to, for example, common approaches to minimum standards (e.g. school staffing attendance).

In terms of vertical/ intergovernmental coordination, because the central state is relatively weak it has to rely on a combination of political negotiation as well as legislative mechanisms to promote coordination. Some intergovernmental/ vertical coordination forums have a legislated mandate / role to formulate sector plans. This is a similar mandate to South Africa's MinMECs which require national government to consult with Provincial, and where relevant municipal, government with respect to the coordination and alignment of strategic performance plans and priorities, objectives and strategies. The legislative mandate for some of the Intergovernmental Forums provides for decisions and agreements reached in these structures to be binding on all levels of government which in all likelihood contributes towards their effectiveness.

Unlike South Africa's MinMECs which have a common standard mandate outlined in the IGRA, the intergovernmental for a differ widely in terms of their mandates which are derived from legislation. In health, the mandate is a narrow one focused on developing health plans. In education, the mandate is far broader: to develop the education system. It is not clear whether having a broad or a narrow mandate makes a difference in the ability of the forum's success in improving coordination in the sector.

The sectoral chambers that promoted horizontal policy coordination achieved mixed successes, with active participation by the President in some of these structures being directly linked to their degree of success.

The social chamber promoted intergovernmental coordination and aligned implementation of social programmes by creating a special project, coordinated by the centre of government, to ensure a package of social programmes reached the poorest parts of the country and were implemented jointly by government and local civil society.

These chambers were terminated when there was a change in government. This was easier to do given that they did not have a legislated mandate. It is not clear what impacts their termination has had on horizontal policy coordination (e.g. through lack of continuity).

The national level has taken the initiative to establish a vertical coordination structure (CAF) to work directly with municipal government using task teams to address specific issues. There may be issues where coordination structures are needed to address matters of direct national-municipal importance and which exclude provinces/ states. |

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Coordination Factors	Coordination Enablers	Lessons
	Leadership	Political dynamics and coalitions can greatly constrain government's ability to promote coordinated behaviours between departments and spheres and the coordination effectiveness of coordination structures.
	Clear Vision	Broad agreement on the social development strategy improved the willingness of representatives on the social chamber to act in a coordinated manner. Agreement at a strategy level can therefore support more effective coordination.
Systems / Processes	Accountability/ Performance Mechanisms incl. Monitoring & Evaluation	The creation of National Forums and Policy Conferences (which can be supported at a regional level), and which are provided with support resources from government, is one mechanism to strengthen civil society participation and inputs into national policy processes. Conditional grants sometimes need to be used by national government to enforce compliance with national norms and standards (e.g. education and health).
	Meeting management / sufficient resources	Some intergovernmental forums meet as often as monthly.
	Integrated planning	Agreement on broad strategy in cluster type structures by all role-players has made it easier cooperate and plan in an integrated manner.
Behaviours	Organisational culture, shared values, relationships of trust	The social sectoral chamber involved much negotiation between ministers in order to reach consensus. It is not clear if this negotiation took place at meetings of the social sectoral chamber, or outside of these meetings.
	Skills, competencies, participation, representation	The recruitment / appointment of senior officials by departmental Ministers can result in the weakening of the required technical skills for effective horizontal and/or vertical coordination being available in departments. Representation on sectoral chambers (similar to Cluster structures) is flexible depending on what issues are on the agenda. This allows for a diversity of inputs and views to inform the discussions at sectoral chamber meetings. The creation of mechanisms, such as Councils, by the center of government, is one way to facilitate partnerships with civil society and the private sector which can develop and pilot innovative programmes (i.e. incubate innovation) and which leverage the resources of social partners. The Presidency appointed an operations executive to ensure the coordinated implementation of a package of selected social development pilot programmes and which were spatially targeted at the country's poorest areas.

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3.4 Australian Coordination Case Study

3.4.1 Introduction

The Australian Federal government system has three separate spheres which are Commonwealth (i.e. National Government level); states and territories (i.e. Provincial Government level); and local governments.

There is no single source of power and accountability. Power is divided primarily between the National/Commonwealth and the Provincial/State governments. This set up was designed in the first constitutional draft of Australia in 1901 which emphasized the sharing of power between the National/Commonwealth and Provincial/State governments. This is built on the notion that the National/Commonwealth funds and Province/State implements (which is similar to the South African situation).

This means that intergovernmental relations driven by the National/Commonwealth are forced into agreement through hard negotiations and active persuasion between the Centre and the provinces about elements that are of national importance but essentially reside legally as matters of management and administration at the Province/State level (DPME, 2011). This top down approach of National/Commonwealth government slowed down in the 1990s, when local officials and politicians started to take initiative to provide coordinated services to citizens (Ling, 2002).

The Australian Public Service has a long history of whole of government approach (Australian Public Service. 2004). A 2004 report from the Australian Public Service (APS) noted that "whole of government is the public administration of the future" (APS. 2004) and that :

- Making whole of government work better is a key priority for the APS.
- Whole of government work encompasses the design and delivery of policy, programs and services.
- The notion of whole of government is not new. Coordination has been a longstanding feature of Australian public administration.
- The real challenge of whole of government is in the day-to-day realities of trying to work across boundaries to make sure that outcomes are achieved.
- A whole of government approach should not be taken lightly-issues should be examined individually to decide if this is the best approach.

One mechanism used to improve coordination has involved reducing the number of departments, an approach referred to as the macro organisation of the state.In 1987, following a recommendation from a Royal Commission on Australian Government Administration (RCAGA) report of 1976, the Government of Australia reduced the number of its departments from 28 to 18. This was done to 'integrate related functions into larger portfolios and also to enhance the capacity of Cabinet to take strategic policy decisions covering all areas of government' (Connecting government report, 2005). Ever since 1987, the general policy for fewer government departments which are all represented in the cabinet has remained in use.

Over the past decades, coordination in Australia has been enhanced by several initiatives which include reducing the number of departments, creating a Council of Australian Government (COAG) which includes Ministerial Councils for intergovernmental coordination (similar to South Africa's MinMECs but with important differences) , temporary task team structures, and creating the Cabinet Implementation Unit (CIU). These three structures are discussed further below.

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3.4.2 Council of Australian Governments (COAG)

In an effort to improve the whole of government approach, the Australian government created a Council of Australian Governments (COAG) in 1992. The role of COAG is to promote policy reforms that are of national significance, or which need co-ordinated action by all Australian governments.

According to the Connecting Government report (2005), COAG has improved the cooperation of the three spheres of government and also 'provided a forum for consideration of whole of government issues such as national competition policy'.

COAG reports to the Prime Minister, who also chairs the over-arching COAG structure which has a range of Ministerial Councils which support and report to it. The members of COAG are the Prime Minister, State and Territory Premiers and Chief Ministers and the President of the Australian Local Government Association.

COAG meets as needed, usually once or twice a year, though at times it has met up to four times in a year. COAG may also settle issues out-of-session by correspondence.

In 2008, the Council of Australian Governments (COAG) developed a wide-ranging reform agenda to improve the wellbeing of all Australians. To enhance collaboration on these reforms, COAG formalised a new approach to federal financial relations in the Intergovernmental Agreement on Federal Financial Relations (IGAFFR). The IGAFFR commenced on 1 January 2009. It provides a framework to increase flexibility in service delivery and improve focus on public accountability for achieving outcomes.

A key objective of the federal financial relations framework is increased accountability of Commonwealth and State and Territory governments to the public, underpinned by clearer roles and responsibilities in respect of each jurisdiction. Rather than seeking to control how States deliver outcomes, the IGAFFR aims to improve the quality and effectiveness of government services by reducing Commonwealth prescription, aligning payments with the achievement of outcomes and/or outputs and giving States the flexibility to determine how to achieve those outcomes efficiently and effectively (COAG. 2013).

Payments under the new financial framework consist of:

- National Specific Purpose Payments (National SPPs), made annually on an ongoing basis, to be spent in the key service delivery sectors of health, schools, skills and training, disability services and affordable housing;
- National Partnership payments for major reforms or projects, including payments made to support projects, facilitate major reforms and reward jurisdictions that deliver on nationally significant reforms; and
- General revenue assistance, including Goods and Services Tax (GST) payments, to be used by the States for any purpose.

The new framework gives greater flexibility to the States and Territories, recognizing that States and Territories have expertise and experience in service delivery, and know how their local communities work. At the same time, it increases the accountability of all governments for what they have committed to do.

Governments are not only bound to make their best efforts to achieve reforms, they are also provided with financial incentives for doing so. Some of the National Partnerships established under the framework include funding which is specifically linked to achievement against ambitious reform targets.

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Reward payments are made by the Commonwealth only after an independent assessment is provided by the COAG Reform Council that States and Territories have met their agreed targets.

Recently, COAG has initiated reforms to increase productivity, raise workforce participation and mobility and improve the delivery of government services, including:

- health policy changes culminating in the National Health Reform Agreement in August 2011;
- a range of early childhood, education and training reforms;
- detailed commitments to close the gap in Indigenous disadvantage; and
- regulatory reforms to create a seamless national economy by ending unnecessary differences between laws covering the same areas of activity in different states

Priority areas include skills reform, managing the environmental impacts of coal seam gas and coal mining, schools funding reform, competition and regulatory reform, disability reform, improved environmental regulation, and State tax reform flowing from the October 2011 Tax Forum.

COAG is supported by inter-jurisdictional, ministerial-level Councils that facilitate consultation and cooperation between the Commonwealth and the States and Territories in specific policy areas. Together, these Councils constitute the COAG Council System. COAG Councils pursue and monitor priority issues of national significance and take joint action to resolve issues that arise between governments. Councils also develop policy reforms for consideration by COAG, and oversee the implementation of policy reforms agreed by COAG.

On 13 February 2011, COAG adopted a streamlined agenda to advance five key themes:
1. a Long-Term Strategy for Participation – addressing social and economic issues, such as skills development, education and early childhood development;
2. a National Economy driven by our Competitive Advantages – addressing issues such as the microeconomic reform agenda, further regulatory and competition reforms and infrastructure investment;
3. a Sustainable and Liveable Australia – addressing issues such as housing supply and affordability, sustainable population, climate change and energy efficiency measures;
4. a Better Health Service and a More Sustainable Health System for Australia;
5. Closing the Gap for Indigenous Australians

The COAG Reform Council is the key accountability body for the COAG reform agenda. The COAG Reform Council exists in order to report to COAG on the following:
- the performance of the Commonwealth and the States and Territories in achieving the outcomes and performance benchmarks specified in National Agreements
- whether predetermined performance benchmarks have been achieved under National Partnerships
- the performance of the Commonwealth and the Basin States under five bilateral Water Management Partnerships under the Agreement on Murray-Darling Basin Reform
- the aggregate pace of activity in progressing COAG's agreed reform agenda
- the consistency of capital city strategic planning systems with the new national criteria.

The COAG Reform Council's roles include (CAOG. 2013):

- reporting on the performance of governments under National Agreements, which comprises:
  o providing a comparative analysis of the performance of governments
  o reporting on progress under National Partnerships that support the National Agreements
  o reporting on the performance of governments under various National Partnerships with reward payments
- the council provides an independent assessment of whether predetermined performance benchmarks have been achieved prior to reward payments being made

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- advising COAG on options to improve performance reporting frameworks
- highlighting examples of good practice and performance
- reporting to COAG on the aggregate pace of activity across the COAG reform agenda.

The Intergovernmental Agreement of Federal Financial Relations provides that 'to assist the COAG Reform Council in its role, the Productivity Commission will also report to COAG on the economic impacts and benefits of COAG's agreed reform agenda every two to three years'. The commission's terms of reference set out that the report will cover information on the economic impacts and benefits of reform and outcome objectives, including estimates of the economy wide, regional and distribution effects of change, and assessments, where practicable of whether Australia's reform potential is being achieved and the opportunities for improvement.

In 2006, the Productivity Commission estimated the potential economic and fiscal benefits of COAG's then National Reform Agenda (NRA). The NRA was narrower in scope than the current agenda, but nevertheless contained some competition and regulatory reforms as well as human capital reforms in the areas of health, education and workforce participation. The potential benefits of the human capital stream were estimated to be (Productivity Commission. 2007):

- $3 billion in savings to health service delivery, and a potential increase of nearly $4 billion in net government revenues after 10 or more years (based on a 5 per cent improvement in health service delivery)
- 6 per cent increase to gross domestic product (GDP) after 25 or more years resulting from health promotion and disease prevention
- 3 per cent increase to GDP after 25 or more years from education and work incentives streams.

The benefits from competition and regulatory reform streams were estimated to:

- increase GDP by nearly 2 per cent, or $17 billion (2005–06 dollars) in the longer run
- raise household consumption by more than $400 per person per annum (2005–06 dollars)
- raise the funds available to governments by around $5 billion (2005–06 dollars)

The COAG reform agenda is implemented through National Agreements, National Partnerships, Water Management Partnership Agreements, the National Health Reform Agreement and other intergovernmental agreements.

National Agreements define the objectives, outcomes, outputs and performance indicators, and clarify the roles and responsibilities that will guide the Commonwealth and the States in the delivery of services across a particular sector (similar to South Africa's Delivery Agreements).

The Australian Government currently has six National Agreements in place across healthcare, education, skills and workforce development, disability services, affordable housing and Indigenous reform (Commonwealth of Australia, 2011) (in contrast to South Africa's 12 outcomes and Delivery Agreements).

National Partnership agreements define the mutually agreed objectives, outcomes, outputs and performance benchmarks or milestones related to the delivery of specific projects, improvements in service delivery or reform.

Project Agreements are a type of National Partnership used to implement projects that are considered low-value and/or low-risk. Project Agreements are simple, standalone, outputs-focussed documents that are generally bilateral although they may be multilateral in certain limited circumstances.

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Implementation Plans are subsidiary documents to some National Partnership agreements that outline how an individual jurisdiction intends to achieve the outcomes and outputs specified in the overarching National Partnership.

In 2011, COAG agreed to establish a new system of ministerial councils. According to the COAG Council Handbook, the objective of setting up this new council system was to help COAG focus on, and progress, nationally significant reforms. There are three types of council:

- Standing councils are ongoing and address issues of national significance;
- Select councils are reform-focused and time-limited; and
- Legislative and governance fora oversee responsibilities set out in legislation, intergovernmental agreements (IGAs) and treaties outside the scope of standing councils.

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Table 5: List of COAG councils and Fora

Standing Councils	Select Councils (reform-focused and time-bound)	Legislative and Governance Fora
• Community and Disability Services • Disability Reform • Energy and Resources • Environment and Water • Federal Financial Relations • Health • Law and Justice • Police and Emergency Management • Primary Industries • Regional Australia • School Education and Early Childhood • Tertiary Education, Skills and Employment • Transport and Infrastructure	• Climate Change • Disability Reform (expired on 31 December 2012) • Gambling Reform • Housing and Homelessness • Immigration and Settlement • Women's Issues • Workplace Relations	• Consumer Affairs • Corporations • Food Regulation • Gene Technology • Murray-Darling Basi

According to the COAG Council Handbook, the main responsibilities of the councils are to pursue and monitor priority issues of national significance and take joint action to resolve issues that arise between governments. Councils also develop policy reforms for consideration by COAG, and oversee the implementation of policy reforms agreed by COAG. This role of developing policy reforms differs from South Africa's MinMEC structures which only serve as consultation structures and not policy development structures.

COAG uses councils only for highly important intergovernmental reforms, all other work is delegated to senior officials within the government. COAG Councils only address matters that meet the following criteria:
- that are at the intersection of jurisdictional responsibilities and of national significance;
- that are of strategic importance to the three levels of government that require a leaders-level process;
- where accountability is required for the work of COAG Councils and working groups; and
- where there is a strong need to drive current COAG activities to successful conclusion to bring service delivery improvements to the Australian community.

In addition, COAG ministerial councils are responsible for developing Regulation Impact Statements to assess the likely impacts of new regulations required by COAG decisions. The COAG Best Practice Regulation Guide gives advice on these requirements.

In every council meeting, Ministers are expected to fully represent their governments as well as ensure the implementation of COAG tasks are followed through. COAG requires that Councils prioritise the achievement of COAG tasks over other work undertaken by the Council, and consider how often they must meet to achieve their priorities and responsibilities.

The scope of work for each COAG council is governed by a Terms of Reference developed by the COAG.

Each council decides on how often they meet but COAG requires that they meet face to face at most twice a year. The other meetings can be via Tele-Presence networks.

The outcomes of COAG meetings are contained in communiqués released at the end of each meeting. Where formal agreements are reached, these may be embodied in intergovernmental

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agreements, including National Agreements (similar to South Africa's Delivery Agreements) and National Partnership Agreements.

All COAG councils are accountable to the COAG. Each council prepares a report for COAG on their respective decisions and actions. The actions of each Council are expected to be transparent to all stakeholders. Objectives, outcomes and progress should be communicated publicly in non-bureaucratic language.

COAG has decided that the Secretariat arrangements for each ministerial council will be decided by that ministerial council. A number of operational principles, however, have been established which govern the functioning of Secretariats (COAG. 2011: 14):

- Effective governance – secretariats should have strong governance systems and a good understanding of their stakeholder base and the issues managed by their Councils.
- Transparency and accountability – Councils are accountable to COAG. Secretariats need to communicate clearly decisions and outcomes. It is essential that secretariats employ strong stakeholder communication strategies so outcomes are transparent.
- Quality assurance – secretariats should exercise quality assurance of Council materials. Secretariats need to have the capacity to undertake policy analysis, plan strategically and develop reform focused and strategic agendas.
- Professional competence – secretariats should be proactive in maintaining their professional competence, including knowledge about current legislation and policies that may affect Councils, for example classification of materials.
- Coordination capacity – secretariats should be the primary coordination point for their Councils. It is essential that secretariats employ effective co-ordination strategies, particularly in relation to the priority tasks of their Councils.
- Fairness – secretariats should be fair and impartial towards all member jurisdictions, regardless of secretariat location.
- Cost effectiveness - secretariats should utilise resources effectively. Secretariats should encourage their Councils to utilise technologies that reduce costs associated with their work, for example the TelePresence network for meetings.
- Custodianship – secretariats should be vigilant in overseeing and maintaining the documentation for their Councils.
- Flexibility – secretariats should be innovative, agile and responsive to the emerging challenges faced by their Councils.

According to the COAG Council Handbook (COAG. 2011), each council is expected to conduct a review of its work and functions after every three years. The review should look into the following attributes of the council:

a) structure, including chairing and secretariat arrangements ;
b) number of meetings;
c) costs;
d) objectives and performance;
e) implementation of decisions;
f) relationship with other Councils and COAG;
g) areas of possible overlap, including recommendations with timelines for addressing any issues in the report; and
h) sub-committees and working parties to ensure they are limited to those that are essential. Those established or retained should be clearly focused and given fixed time to achieve their objectives.

The COAG Council Handbook (COAG. 2011) contains a wide range of operational guidelines, including processes around agenda setting. For example, these state that "If there are additional items for the final agenda, the Council chair will need to seek the views of all member jurisdictions prior to the inclusion of any proposed items. These additional items are only to be included on the

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agenda if they are unable to be handled out-of-session and only following the agreement of all members." There is thus a concerted effort to ensure agendas are strategic and focused on issues which can only be effectively dealt with in, as opposed to outside of, ministerial council structures.

Finally, ministerial councils have policy analysis capacity and play a strong role in agenda management and ensuring agendas are strategic by applying the following suggested Agenda structure (COAG. 2011: 15):

- priorities of national significance – major work priorities for the Council;
- items for special consideration – items with the need for focused discussion and thorough consideration by the Council to ensure current priorities and activities are driven to successful conclusions; and
- implementation, performance and accountability – to address progress reports on implementation and delivery, ensuring Council follow through.

In addition to assisting with agenda management and reporting, secretariats should provide advice on the substantive policy content of proposed agenda items and briefs.

3.4.3 The Use of Task Forces

Task forces began to receive much attention in Australia in the 1980s and their use has continued to date.

Task forces are set up and supervised by the Department of the Prime Minister and Cabinet. These task forces are set up when there are complex or urgent developments in policy or service delivery that involve different branches of government. In addition, the Department of the Prime Minister and Cabinet can also set up task forces to drive once off projects or events.

The task force has become 'semi-formalised as a device to develop new policy or to deal with significant, urgent issues' (APS. 2004: 29). A task force is a discrete, time-and-purpose limited unit responsible for producing a result in its own right (APS. 2004). Their capacity for operating independently from policy departments is strengthened by the Department of the Prime Minister and Cabinet being assigned administrative responsibility for them in many cases (Hamburger 2007).

The 2004 APS report emphasises that different types of coordination structures are suited for different types of coordination purposes (APS. 2004: 19):

> There is a need for careful choice of the appropriate structures to support whole of government work—for example, well run interdepartmental committees (IDCs) are very effective in coordination, including crisis management, and in producing policy options. Their representative nature and consensus approach to decision making can make them less useful for dealing with difficult policy issues where there is deep contention between portfolios, or in the community, and tight time limits. Dedicated taskforces under strong leadership and working directly to the prime minister, a senior minister or a committee of Cabinet have proved to be more likely to produce high-quality outcomes in these circumstances

3.4.4 The Cabinet Implementation Unit (CIU)

In 2003, the Department of the Prime Minister and Cabinet enhanced its coordination role by establishing the Cabinet Implementation Unit (CIU), which supports major whole of government activities as one of its functions. According to Peter Hamburger, Department of the Prime Minister and Cabinet, the Cabinet Implementation Unit 'gives Cabinet a capacity to oversee implementation

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and an opportunity to be involved in, or at least in control of, the learning and adaptation that occurs in the implementation process.'

The CIU specifically focuses on the following five key areas:

6. Proactive involvement: Engagement with agencies
7. Reporting: Progress updates
8. Advice for the Cabinet: Implementation plans
9. Capability building: Building skills across the Australian Public Service (APS)
10. Policy Expertise: Making Connections

The Department of the Prime Minister and Cabinet, through the Cabinet CIU, is the central point in government for spreading advice on best practice in whole of government work and for reporting on successes and failures.

3.4.5 Conclusions and Lessons.

Considerable emphasis has been placed in Australia by the centre of government on improving government culture, structures, skills, competencies and behaviours to better support whole-of-government approaches and implementation. In addition, "Leadership, relationship building, trust and good-quality communication were seen as central to successful whole of government work" (APS. 2004: 14).

The ongoing reform of the APS is guided by an overarching "blue-print" which has identified focus areas, visions, and priorities for action. This provides a framework for prioritising action to improve public administration, including improving the effectiveness of broader systems and structures to improve coordination. Many of these priorities for action involve the creation of networks and forums which can support improved coordination. Much of the work is focused on strengthening capabilities to develop strategic policy, as well as capabilities to design policy in a way which improves the implementation of policy.

The possible need exists for a similar framework in South Africa as it is not clear if the Governance and Administration cluster in South Africa is being guided by such a framework.

In terms of intergovernmental coordination the COAG structures have evolved over many years into a sophisticated set of systems for coordinated policy development and regulatory reform and appear to be working reasonably well in terms of regulatory reform. The COAG system has a number of differences from South Africa's MinMEC system which are worth noting and these include the following:

6. An overarching structure guides and monitors the work of all the intergovernmental structures (called ministerial councils)
7. Different types of structures have been created for different functions, including special time-bound structures to take forward reform-focused initiatives (e.g. climate change, women's issues).
8. COAG structures play the role of developing policy reforms which differs from South Africa's MinMEC structures which only serve as consultation structures and not policy development structures. Targets for policy reforms are included in Partnership Agreements and national intergovernmental financial transfers are linked to progress in achieving targets. This constitutes a powerful financial incentive to enhance the implementation of improvements to the regulatory framework.
9. The work of COAG and the ministerial councils is informed by both a guidelines handbook as well as Terms of Reference for each ministerial council which COAG develops (which assist

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with coherence and alignment between ministerial councils). Nevertheless, each Ministerial council has discretion over certain issues including how often it meets.

10. There are specific criteria which are applied to determine whether issues are of sufficient priority for a ministerial council to deal with, or whether the issue should be delegated to senior officials to resolve.

11. Each Council conducts a systematic review of its purpose and work every three years. This review process helps to ensure that the structures do not get stuck in routines which may no longer be appropriate to their objectives and the constantly evolving external environment.

There may be value for South Africa in further investigation into the COAG and intergovernmental financial system.

The CIU is an example of a pro-active coordination role being played by the centre of government to improve both policy development and implementation processes. The possible need for strengthening such capacity in the South African government may be worthy of further exploration in the South African context.

Table 6 Selected Coordination Lessons from Australia

Coordination Factors	Coordination Enablers	Lessons
Mandates	Roles/ Responsibilities : Legislative / Alternative	The centre of government plays a strong pro-active and capacity-support coordination role in Australia, in part through the Cabinet Implementation Unit (CIU) which plays the following roles and which improves coordination through stronger policy development processes as well as implementation: b) Monitoring of outcomes c) Capacity building and sharing of knowledge regarding improving implementation, in part through networks d) Advice to cabinet specifically regarding implementation plans and risk management plans e) Pro-active involvement with agencies e.g. to provide advice early on in policy development processes. The COAG is an overarching governing and alignment structure for all intergovernmental mechanisms in Australia. The effective functioning of COAG as an intergovernmental coordination mechanism is supported by legislation governing intergovernmental financial transfers which make provision for certain types of transfers to be conditional on achieving progress with outcomes and outputs which have been identified to take forward an over-arching reform agenda of key national priorities and which also help to focus the work of the Ministerial Councils reporting to COAG. Linking coordination structures to financial incentives and intergovernmental transfers enhances their effectiveness in reforming the regulatory environment. There should not be a one-size-fits-all approach for coordination structures. The nature and design of the structure should be informed by its purpose and the tasks that it has been established to perform. At the same time, mandatory systematic reviews by structures can help to ensure that such structures do not adapt and change to the changing environment and remain relevant and focused.

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Coordination Factors	Coordination Enablers	Lessons
		Inter-governmental structures (Ministerial Councils) of different types have been established for different purposes including structures which have a defined time span to deal with issues which are reform-focused and legislative and governance structures which oversee responsibilities set out in legislation, intergovernmental agreements (IGAs) (similar to South Africa's MinMECs). Ministerial Councils also play a role in formulating policy reforms as well as developing Regulatory Impact Assessments (guided by a Best Practice Guide) to assess the likely impacts of new regulations required by COAG decisions and enhance the capacity of Cabinet to take informed decisions. The use of specific criteria can be useful in ensuring the time spent in structure meetings is well-spent and that coordination issues are dealt with at the appropriate level and delegated to senior officials to deal with outside of the structures where appropriate. The effective functioning of task teams to take forward time-bound coordination issues has been enhanced through the Prime Ministers Department taking administrative responsibility for these.
	Leadership	Whole-of-government approaches have been prioritised by leadership and linked to a range of reinforcement mechanisms including recruitment HR practices which include competencies for co-operation and negotiation; induction and training programmes which build the competencies required for negotiation, ensuring staff development includes obtaining exposure/ participation in coordinated initiatives, awards the celebrate whole-of-government work; and a web-based knowledge platform which shares research on whole-of-government approaches and initiatives. Nevertheless, Haligan noted in 2008 that "The obstacles to inculcating cultural change however remain substantial. The imperative of the functional principle and the rigidity of organisational boundaries still loom prominently. There is of course no single formula for balancing agency requirements and whole of government imperatives."
	Clear Vision	A clear transformation agenda guides the focus and priorities of COAG and its ministerial councils.
Systems / Processes	Accountability/ Performance Mechanisms incl. Monitoring & Evaluation	Vertical intergovernmental mechanisms have used a range of cascading formal agreements from the outcome level down to the project level to define roles, responsibilities, and outputs and to ensure clear implementation plans exist which can be monitored and which improve accountability. The three-yearly process of conducting an economic impact assessment of the policy and regulatory reforms which COAG has achieved provides a quantified understanding of the broader economic benefits of the COAG coordination

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Coordination Factors	Coordination Enablers	Lessons
		structures.
		There is a strong emphasis on transparency and accountability of the COAG structures by, for example, ensuring that all records of meetings are made available to the public on the internet.
	Meeting management / sufficient resources	A set of clear guidelines informs the way that Secretariats support the operations of COAG structures. These Secretariats also have policy analysis capacity and the capacity to ensure agendas are strategic and which reflect issues which can only be handled by the structures.
		The frequency of COAG ministerial council meetings is flexible and can be decided on by each ministerial council, with meeting frequency depending on the issues being dealt with by each council.
		The costs of intergovernmental structure meetings (which involve representatives from across the country) are managed by the availability and use of a Telepresence system which stimulates a live meeting environment.
		The effective functioning of task teams to take forward time-bound coordination issues has been enhanced through the Prime Ministers Department taking administrative responsibility for these.
Behaviours	Organisational culture, shared values, relationships of trust	
	Skills, competencies, participation, representation	The CIU has played a pro-active role in building skills and competencies needed to support effective coordination. The CIU supports networks across the APS which focus on implementation and delivery. One such network is the APS Policy Implementation Network (APS PIN) which, with Deputy Secretary Membership, draws on members' experience to share knowledge and helps to develop a culture of collaboration on implementation and delivery.

4. Lessons and Preliminary Conclusions for South Africa's Coordination System

South Africa is not unique. Even developed countries struggle to improve coordination with highly sophisticated public management reforms failing in such countries.

This section synthesises the case study experiences in terms of obstacles, lessons and preliminary conclusions which are relevant to the South African context and, where possible, the Cluster,

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Implementation Forum and MinMEC structures using the analytic framework success factors related to mandates, systems/ process, and behaviours:.

4.1 Mandates: Roles/ Responsibilities: Legislative / Alternative

A number of obstacles and challenges to coordination have been identified, including:
- There has been mixed success with aligning the inter-governmental financial framework and selected inter-governmental financial transfers to outcome, output, and target-based delivery agreements internationally by government by structures similar to South Africa's Implementation Forums. Conditional intergovernmental transfers are sometimes used by national government to enforce adherence to minimum standards. Exploring stronger intergovernmental finance links to Delivery Agreements and the Outcomes system in South Africa is an issue which may be worthy of further exploration in the future.

The following lessons and preliminary conclusions regarding mandates and roles have been identified:

e) There should not be a one-size-fits all approach for coordination structures. The nature and design of the structure should be informed by its purpose and the tasks that it has been established to perform. At the same time, Systematic reviews by structures can help to ensure that such structures do not adapt and change to the changing environment and remain relevant and focused. A systematic review process for clusters, Implementation Forums and MinMECs may need to be designed.

f) If coordination structures do not have a legislated mandate, they are easier to abolish (especially when there is a change in political power). It is not yet clear if it would be better for South Africa's Cluster and Implementation Forum structures to have a legislated mandate, or not. This evaluation will further explore this issue.

g) There may be a need to supplement Cluster, Implementation Forum and MinMEC structures with additional intergovernmental structures which are created to develop proposals to deal with a specific reform initiative and which have a defined terms of reference and time-frame within which to complete their work.

h) Although the clusters currently have been allocated an oversight function in unblocking implementation challenges, they are not engaging in activities related to this mandate, and are rather focusing on their harmonisation mandate related to cross-cutting issues. A major reason why clusters are not engaging in activities related to oversight of implementation of the POA is that the decentralised regulatory framework does not make provision for clusters to play such a role. (Presidency. 2008:15-19, 37-40).

The legal framework of government does not clearly provide for cluster authority or accountability for planning or implementation. In terms of the Public Service Act, individual Ministers are responsible for developing strategic plans for their departments. Similarly, in terms of the PFMA, individual Directors-General and officials in departments are provided with authority and accountability for expenditure and efficient, effective and regular implementation. In terms of this legal framework a cluster cannot be held legally accountable for a decision. Furthermore, an accounting officer is bound by the legal framework to obey legal instructions from his or her Executive Authority, not from a cluster. This is also true of the MFMA at the local government level where municipal managers are the accounting officers and bound by legal and regulatory frameworks.

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In addition resources are allocated to departments through the budgeting process prescribed by National Treasury in terms of the Constitution and the PFMA. Clusters cannot be accountable for budgets because clusters do not have accounting officers.

i) There may be a need to strengthen the strategic coordination role of the center of government in South Africa:

The Treasury and Presidency are the preeminent departments with certain powers to promote horizontal coordination but arguably their powers are insufficient. This issue of a decentralised regulatory framework is still a major issue for the Presidency. One of the important concerns that have been raised is that the decentralised model has no strong centre. The remnants of the Policy Coordination and Advisory Services (PCAS) attend cluster meetings but provide no leadership and little input on the agenda. The question is whether the Presidency should continue like this or whether it should take a stronger leadership role. This can include quality control in terms of controlling agendas, ensuring that recommendations are implemented, and calling departments together to resolve differences.

At sub-national level provinces and local governments have constitutionally entrenched powers. This means that it many cases vertical negotiation has to be negotiated rather than imposed. All this suggests that there is a need for a stronger centre but it has to be negotiated rather than enforced through hierarchical measures. The international review points out that it is very difficult to push through public management reform if powers are shared between different levels of government. This makes it imperative to use negotiated network types of coordination.

Coordination roles which are being played by the center of government in some of the case study countries have included at least the following:

- Monitoring of outcomes
- Capacity building and sharing of knowledge regarding improving implementation, in part through networks
- Advice to cabinet specifically regarding implementation plans and risk management plans
- Pro-active involvement with agencies e.g. to provide advice early on in policy development processes.

j) In terms of coordinated policy (and one could argue programme) development processes, it is clear that better coordinated the development/ planning processes can reduce coordination challenges and problems when it comes to implementation. It is therefore important that attention is paid to strengthening the coordination of policy and programme planning processes:

Notwithstanding this there is a need for both policy and implementation structures. It appears that cross-cutting efforts in South Africa are confined to policy rather than implementation issues. To be effective, cross-cutting policies need to look at both policy and implementation.

In this regard it is going to be important for joined-up government policy development processes to include, as far as is possible, the identification of challenges to implementing policy at the policy development stage by including a systematic assessment of issues

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such as governance, risk management, resources, procurement and contract management, monitoring and review, planning for implementation, stakeholder management and communication.

One of the concerns of the Presidency in South Africa is to ensure that coordination takes place at right levels. The aim is to ensure that Director General (DGs) clusters do not focus on operational level. They clusters currently do much looking at both policy and implementation issues. The operational clusters are best done at a lower level. If this is done, the DGs would spend less time in cluster meetings which will be shorter, less frequent and focus on key decision making. This will enable a great deal of work to be done outside of the clusters. This is a much better way get DGs to attend cluster.

This does raise the issue of what type of implementation structures are needed? The Presidency report (2008:38) acknowledges that clusters need to be complemented by a mechanism which integrates the cross-cutting priorities into the decentralised accountability system for individual departments.

The JUG experience provides guidance on what other forms of cross-cutting mechanisms can be used. A number of units were set up in the Cabinet Office e.g. Social Exclusion Unit, Performance and Innovation Unit, the Women's Unit and the UK Anti-Drugs Innovation Unit.

This seems to suggest that if the government decides to create such units in the Presidency they could be staffed with representatives of the public service, local government, NGOS and the private sector.

4.2 Mandates: Leadership

A number of obstacles and challenges to coordination have been identified, including:
- Politics and the dynamics of political coalitions can undermine coordination (especially horizontal coordination between departments) where ministerial and top government positions are allocated by the head of government on the basis of coalition rationale

The following lessons and preliminary conclusions regarding Leadership have been identified:

a) It is clear that one needs a combination of both the right kinds of leadership, as well as relevant and effective structures and processes, to improve coordination. It appears that without the right kind of leadership direction and support, it is difficult for structures to meaningfully influence behaviours which support coordination. In this regard, the leadership roles exercised, or not exercised, by the President, Deputy President, and Ministers appears critical in terms of the extent to which they prioritise coordination, and play an active role in supporting coordination by unblocking challenges, and facilitating strategic partnerships and relationships etc.

b) Structure is important, and can facilitate coordination, but to produce behavioural changes may require the active intervention of political leaders, often political leaders at the very top of government. The differential weight attached to coordination by different politicians appears to count for more than structure. Geoffrey Mulgan, reflecting on the UK's experienced of JUG, notes that "On their own, interdepartmental committees and task forces have tended to have relatively little effect on behaviour, without substantial investment of time and political capital by the prime minister" (2002: 26).

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4.3 Mandates: Clear Vision

A number of obstacles and challenges to coordination with respect to clarity of vision have been identified, including:

- In South Africa there are sometimes conflicts which exist at a level of strategy and which undermine horizontally coordinated behaviour and action

The following lessons and preliminary conclusions regarding clarity of vision have been identified:

c) It appears that the more focused the priorities are of coordination structures, the higher their chances of success. This also links to the need for strategic and focused agendas (see meeting management section below)

d) Agreement at a strategy level on key relevant strategies amongst participants in coordination structures can improve the chances of reaching agreement and being on the same page regarding actions that need to be taken to improve coordination. Attention therefore needs to be paid to the strategic level and how to ensure that there is coordinated participation in strategy development wherever possible, or at least space and time is made for communication and discussion of strategies (probably outside of formal coordination structure meetings).

4.4 Systems / Processes: Accountability/ Performance Mechanisms incl. Monitoring and Evaluation

A number of obstacles and challenges to coordination have been identified, including:

There is a tension between performance management and coordination. Individuals and organisations have become more focused on meeting their own individual and departmental performance targets. Unless cross-cutting targets are given equal status, coordination is likely to remain on the margins (Pollitt, 2003:42).

The following lessons and preliminary conclusions regarding coordination systems and processes for accountability have been identified:

a) It is important to develop formal agreements at or near the beginning of any coordinated effort about the respective responsibilities of the different parties/institutions involved. There need to be clear responsibility for implementing decisions made is allocated, and consequences for failure to implement these decisions.

b) Another way that cross-cutting initiatives can be promoted is through the use of a wide range of different incentive mechanisms which should complement or reinforce the operations of coordination structures wherever possible. Some of the most important incentives are:

- There is a need to reform the way money was allocated to ensure that more of it was allocated to specific problems, areas or client groups rather than functional bureaucracies;
- The reward structures for departments also need to be changed. The Treasury needs to make a certain category of funds available to departments whose access is conditional on participation in joined-up activities; most notably cross-cutting implementation;

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- There must be political commitment to undertake cross-cutting work and to engage in high level negotiation to unblock strategic coordination challenges. This commitment to cross-cutting work should be in the Ministers' performance contracts with the President. Ministers in turn need to be champions of cross-cutting coordination measures. They could be involved in coordination at strategic points to unblock blockages. Ministers need to recognise that they may need to play a negotiating role with other ministers to unblock certain strategic level coordination issues and that such negotiations may involve a give-and-take between Ministers and departments;

- Unless cross-cutting targets are given equal status, cross-cutting initiatives are likely to remain on the margins. There is a need to design targets that would be shared across departments that are shared across departments. This will help promote a collective vision and culture;

- A major obstacle to coordination is that there are strong incentives to maintaining secrecy. Information is power and organisations are often reluctant to share information because they will lose bargaining powers with other organisations. Incentives need to be put in place to encourage departments to share information;

- Expanding performance management systems to incorporate the delivery of shared outcomes at both the planning and appraisal stages can be a key strategy to supporting joined up approaches. This should apply across senior and middle management.

- Allocating complex whole of government projects to future senior public sector leaders, and tying successful management of horizontal projects to career progression should also be pursued. This will provide a strong incentive to achieve desired outcomes.

- Cross-cutting activity should be visibly rewarded and that leaders should be judged and rewarded on their performance in securing cross-cutting objectives as highly as achieving purely departmental objectives. This should reflect in the performance indicators in performance contracts and should play an important part of performance evaluation. Even if   staff are rated highly on their departmental performance, they should only qualify for the category 4 and 5 performance ratings (with bonuses) if they achieve above performance for cross-cutting activities.

c) Conditional intergovernmental grants are a powerful coordination instrument to ensure adherence to national norms and standards.

d) National Forums and Policy Conferences are another mechanism which government can use to strengthen civil society participation in policy development and refinement processes.

4.5 Systems / Processes: Meeting management / sufficient resources

A number of obstacles and challenges to coordination have been identified, including:

The following lessons and preliminary conclusions regarding meeting management systems and processes have been identified:

a) There is a need to ensure that there are clear principles and guidelines which inform the role of secretariats in supporting the effective functioning of coordination structures. At the same same, these should provide for some level of flexibility for each structure to make its own decisions regarding certain issues (e.g. inviting participants to structure meetings).

b) There is a need to ensure sufficient secretariat skills and capacity to ensure that the agendas of coordination structures are strategic and focused on issues which are appropriate to address at that level given the nature of participants in the coordination

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structure. There should be clear criteria which are used to decide whether a potential agenda item should be included on a structure's agenda or not. Secretariat's need to apply these criteria and manage the agenda setting process carefully to ensure meeting time is well utilised.

c) There is a need for greater awareness of cost-effectiveness with respect to the frequency of meetings held by coordination structures. An issue to be explored in this evaluation is whether chairperson's and/or secretariats should have greater flexibility in deciding how often structures should meet. In addition, there may be justification for an investigation into the feasibility of using TelePresence technology for MinMEC meetings (as in the Australian example) to minimise the need for travel by provincial representatives.

d) The center of government can play an important administrative support role for the establishment and functioning of temporary coordination structures which are established to deal with specific time-bound tasks.

4.6 Behaviours: Organisational culture, shared values, relationships of trust

A number of obstacles and challenges to coordination have been identified, including:

> Departments working in silos appears to be a universal norm which most people are comfortable with- as such, departmentalism appears to be a dominant culture which is very difficult to break away from. Breaking down (or at least counter-balancing) this shared culture requires a new shared vision which the top leadership in government prioritises, is truly excited about, and communicates widely and which encourages excitement within the civil service for coordinated action for certain cross-cutting priorities. It remains to be seen whether South Africa's leadership will be able to get behind the National Development Plan to create such a shared vision.

> One of the challenges in South Africa could be the lack of both political and administrative commitment to a cross-cutting culture where there is a process of give and take. The predominant culture is one where everyone else must change to fit around what I am doing/ so everyone wants it but no one wants to give and take. For example the MECs of housing want housing in a particular location and bulk infrastructure must just fit in. There is little attempt to go and understand what bulk departments want.

> This has serious implications for the South African state which is currently experiencing uneven capacity and capabilities at national, provincial and local government level to address key developmental objectives, especially cross-cutting developmental objectives. The literature is clear that to improve coordination is time-consuming, difficult and challenging and that governments need to guard against coming up with quick fixes- as pointed out in the South African National Development Plan 2030.

The following lessons and preliminary conclusions regarding behaviours, organisational culture, shared values and relationships of trust have been identified:

a) How do you change culture? The international literature suggests that changing structures will not in itself change culture. The way to shift a culture is by getting a shared vision and someone at the top persuading silos to share common vision and be excited about it as with the case with New Labour in England in 1997.

> There is possibility that the National Development Plan (NDP) can be this epoch changing opportunity. The Presidency is already incorporating the NDP into its planning and

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budgeting processes. It should also try and facilitate greater buy-in to the NDP from government departments, local government and NGOs.

b) Whole-of-government approaches have been prioritised by leadership and linked to a range of re-inforcement mechanisms including recruitment HR practices which include competencies for co-operation and negotiation; induction and training programmes which build the competencies required for negotiation, ensuring staff development includes obtaining exposure/ participation in coordinated initiatives, awards the celebrate whole-of-government work; and a web-based knowledge platform which shares research on whole-of-government approaches and initiatives

e) Leadership's role in sustaining a culture that promotes and supports a sense of individual responsibility on the part of staff is vital.

f) A culture of negotiation, or preparedness to negotiate, can be important to address coordination issues outside of formal coordination structure meetings. This negotiation can take place at various levels, from the Ministerial level down.

4.7 Behaviours: Skills, competencies, participation, representation

A number of obstacles and challenges to coordination have been identified, including:

- It can be argued that there is currently a severe and widespread mismatch between policy imperatives and expectations on the one hand, and capacity (including leadership capacity) of organs of state on the other.
- No matter how cleverly designed a government coordination system may be, if institutions lack the ability and the will to give effect to policy, whether in a coordinated fashion or otherwise, things are just not going to happen. Human settlements, education, local government are all evidence of this. The fact that DG's don't attend meetings is symptomatic of these weaknesses. So it seems that there may be a tendency to blame the system (i.e. the coordination system) for what is really a political/capacity malaise. It does, however, illustrate the need to adopt systems that are suited to the context.
- The appointment by top officials by Ministers can result in the weakening of the capability of the state to promote horizontal and/ or vertical coordination if these officials do not possess the required technical skills, competencies and experience required for coordination activities.

The following lessons and preliminary conclusions regarding behaviours and skills, competencies, participation and representation issues have been identified:

a) To deliver joined up government, managers and staff need a broader skill set than the traditional technical skills set of policy development and program management (Allen, 2006). Appropriate leadership styles and skills are most important to developing a culture that supports joining up and delivers on successful outcomes. Managers need to be willing to take risks, tolerate ambiguity, act as mediators and build trust (Jackson & Stainsby, 2000).

It will be important that the South African civil service's HR and recruitment processes are informed by a clear identification of the kinds of competencies and experience which is needed on the part of officials to engage in and support the kinds of behaviours which are necessary for successful coordination (e.g. negotiation, team-work, problem-solving etc.).

Key staff capacities and skills include:

- understanding the broader context of government and interdependencies;

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- a collaborative rather than competitive approach;

- solution driven focus;

- leading without relying on control;

- managing complex relationships;

- influence, mediation and negotiation;

- patience and creativity;

- communication faster, earlier and with a wider audience (Allen, 2006; Pollitt, 2003).

It is hoped that the establishment of the South African School of Government as mooted by the DPSA, should address the above capabilities, skills and competencies in curriculum development.

4.8 Next Steps: The evaluation plan for South Africa's coordination system (with a focus on the cluster system).

This international case study review has identified a number of key issues and lessons which will be used to inform the evaluation of the effectiveness of the SA coordination system with a focus on the Cluster, Implementation Forum, and MinMEC structures.

This evaluation will focus on identifying how effective these structures are at fulfilling the various coordination roles which have been identified for them to fulfil, as well as whether it is appropriate that they fulfil these specific roles (or should different types of coordination issues be dealt with in other ways).

Finally, the evaluation will explore the potential need to strengthen the coordination roles of the centre of government while, at the same time, being mindful of the limitations of top-down coordination. It will therefore also be important to explore further possible refinements to the future use of various coordinating structures, including task teams or task forces, policy action teams, and other networks (incl. policy and professional networks).

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Annexure A: Glossary

Term	Definition
Accountability	A social relationship where an actor (an individual or an agency) feels an obligation to explain and justify his or her conduct to some significant other (the accountability forum, accountee, specific person or agency) (Gutto, 2007).
Coordination	A process in which two or more parties take one another into account for the purpose of bringing together their decisions and/or activities into harmonious or reciprocal relation' (Kernaghan and Siegel, 1987, p. 263). 'the development of ideas about joint and holistic working, joint information systems, dialogue between agencies, process of planning and making decisions' Perri (2004:106) The all-important duty of inter-relating the various parts of the work (Gunlick, 1937). 'The instruments and mechanisms that aim to enhance the voluntary or forced alignment of tasks and efforts within the public sector. These mechanisms are used in order to create a greater coherence and to reduce redundancy, lacunae and contradictions within policies, implementation or management' (Bouckaert et al. 2010). The sharing of information, resources and responsibilities to achieve a particular outcome (New Zealand State Services Commission. Factors for Successful Coordination. 2008).
Culture	The ideas, customs, and social behaviour of a particular people or society (Oxford Dictionary). An integrated system of learned behaviour patterns which are characteristic of the members of a society and which are not a result of biological inheritance (Hoebel 1966)
Departmental-ism	Hood (2005: 22-23) refers to Departmentalism - the tunnel vision, mutual export of problems and preoccupation with defending institutional turf in what has been termed 'vertical silos'.
Delivery Agreement	A negotiated agreement between key partners who will work together to deliver on an outcome. The lead coordinating department will provide the leadership and will be assisted by all key role players (Presidency, 2010)
Governance	…the procedures associated with the decision making, performance and control of organizations, with providing structures to give overall direction to the organization and to satisfy expectations of accountability to those outside of it. (Hodges et al., 1996: 7)
Horizontal Management/Coordination	The coordination and management of a set of activities between two or more organizational units,[which] do not have hierarchical control over each other and where the aim is to generate outcomes that cannot be achieved by units working in isolation (Halligan, 2012)
Integrated Service Delivery	The process of bringing, and fitting, together government services in order to provide seamless services to citizens (Kernaghan, 2005)
Inter-governmental relations	Relationships that arise between different governments or between organs of state from different governments in the conduct of their affairs (SA Intergovernmental Relations Act 13 of 1995).

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Joined-Up Government (JUG)	A group of responses to the perception that services had become fragmented and that this fragmentation was preventing the achievement of important goals of public policy….It is based on the view that important goals of public policy cannot be delivered through the separate activities of existing organisations, but neither can they be delivered by creating a new 'super agency'. It therefore seeks to align the activities of formally separate organisations towards particular goals of public policy." (Ling, 2002, p. 616).
Joint programme	A national development priority, the planning and implementation of which requires the involvement of various organs of state either within a particular sphere of government, or in different spheres of government. a) Programmes that require a cross-departmental involvement in the planning, budgeting and delivery of services. b) A number of departments are often responsible for a specific aspect of the programme, but none is responsible for it in its entirety. c) Programmes that require integration rather than mere co-ordination. (DPSA, 2006)
Law	A law sets out standards, procedures and principles which must be followed.
Leadership	Leadership is a process whereby an individual influences a group of individuals to achieve a common goal. (Northouse, 2007). Leadership is "organizing a group of people to achieve a common goal" (Wikipedia),
Machinery of Government	The structure of government and the allocation of government functions between departments and ministers. Also known as the 'administrative arrangements' of government, machinery of government describes a variety of organisational or structural aspects of government, most commonly the number and names of government departments and ministerial portfolios (Australia Public Service Commission: 2010).
MinMEC	A standing intergovernmental body consisting of at least a Cabinet member and members of the provincial Executive Councils responsible for functional areas similar to those of the Cabinet member;
Negotiation	Discussion aimed at reaching an agreement. Negotiating is the process of getting the best terms once the other side starts to act on their interest (McCormack, 1997). Negotiation is a field of knowledge and endeavour that focuses on gaining the favour of people from whom we want things (Herb Cohen, 1982).
Organisational culture	Deeper level of basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously and that define in a basic "taken-for-granted" fashion an organization's view of itself and its environment" (Schein, 1985)
Oversight	"In the South African context, oversight is a constitutionally mandated function of legislative organ s of state to scrutinise and oversee executive action and any organ of state. It follows that oversight entails the informal; and formal, watchful, strategic, and structured scrutiny exercised by legislatures in respect of the implementation of laws, the application of the budget, and the strict observance of statutes and the Constitution. In addition and most importantly, it involves overseeing the effective management of government departments by individual members of cabinet in pursuit of improved service delivery for the achievement of a better quality of life for all citizens" (Parliament of the Republic of South Africa: 2009).

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Policy	A policy outlines what a ministry hopes to achieve and the methods and principles it will use to achieve them. It states the goals of the ministry. A policy document is not a law but it will often identify a need for new laws in order to be able to achieve its goals.
Programme Management	The co-ordinated organisation, direction and implementation of a portfolio of projects and activities that together achieve outcomes and realise benefits that are of strategic importance.
Silo Mentality	Page (2005:141) gives a lengthy exposition of silo mentality-It refers to a position where policy problems are defined, processed and handled on the basis of the intellectual and physical resources of the particular organisation that is handling it (see also Mulgan, 2005).
Whole of Government	Whole of government denotes public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. They can focus on policy development, program management and service delivery (Commonwealth of Australia, 2004)

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Annexure B: Overview of Performance Management Issues

As pointed out, a major component of NPM is performance management. If managers are to be given greater autonomy, they need to be held accountable through performance standards (Minogue, 1998:26; United Nations, 2005:55). Hood (1991:4–5) points out that explicit standards and measures of performance require that goals are defined and performance targets are met. This can take the form of using performance indicators and setting targets. Hughes (2003:54–55) points out that NPM entails moving from inputs to outcomes or outputs. There is a need for a performance appraisal system to measure both individual and organisational performance. While in some ways many countries are moving into a post-NPM framework, the performance management systems are firmly entrenched.

Main Arguments in Favour of Performance Management

Talbot 2005: 496-501) points out that the major arguments in favour of performance management are:

Performance as Accountability

Performance is needed for accountability and transparency. For democratic systems to work citizens need to be given information not just about what is spent on public activities but also what results have been achieved. This improves accountability of results.

Performance as User Choice

Where there is not a single, monopoly state, citizens and users may be able to make choice as to which public institutions to utilise. This is justified by the need of citizens to have sufficient information about public institutions' relative performance in order to make choices.

Performance as Customer Service

This argument posits that public institutions should make clear statements about the level of service they intend to supply, in terms of timeliness, accessibility and quality; and then report on their success against these aims. One of the major arguments used here is that receivers of monopoly have an entitlement to know what standards of service they can expect and demand since they have no choice.

Performance as Efficiency

Perhaps the longest running argument in favour of performance information is a management one. The modern variant of this argument is that performance contracts should be drawn up which specify the resources to be used; the outputs and services to be delivered; the monitoring mechanisms to be used and the reward and sanctions to be delivered.

Performance as Results, Effectiveness and 'What Works'

This argument holds that government institutions have become too focused on the inputs and processing of administering public policies and have lost sight of the outcomes they intend to achieve. For example, a benefits agency becomes focused on the task of dispensing social security benefits efficiently and equitably, rather than seeing this as contributing to a reduction in poverty and considering how benefits fit into wider policies.

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A major thrust of this argument is 'outcome based governance'. In some ways this is a response to the 'performance as efficiency' argument. Which may produce increases in efficiency and better delivery of services but at the cost of losing sight of the overall aims of policy. This argument has direct relevance for coordination. It can lead to poor coordination between government agencies that are focused inwards on achieving optimum efficiency and outputs and not on wider goals.

The other focus is on the so-called 'what works' agenda. It has mushroomed into a whole research agenda and (supposed) practice of basing policy choices on evidence. It is known as 'evidence based policy and practice'

Performance as Resource Allocation

The argument is that performance information is essential for decision-making about resource allocation. This is part of the argument for rational planning in resource allocation. Information about performance, it is argued, is necessary to understand the utility of resources allocated to any specific policy area.

Performance as Creating Public Value

The most recent argument in favour of performance management is about 'creating public value'. This argument states that public services are not merely about addressing 'market value' but have a more positive role in creating value which could not be made in the private sector. Public services were seen to be adding value through issues like equity, equality, probity and building social capital which the private sector does not and cannot provide.

De Bruijn (2007:8) uses a slightly different categorisation by pointing out that the beneficial effects of performance measurement are

Performance measurement leads to transparency and is therefore an incentive for innovation

First, performance measurement leads to transparency. This transparency has both an internal and an external function. For such an organisation to formulate its products and then to meet its performance targets creates transparency, which is an incentive for innovation in the organisation.

The internal function

A professional public sector institution has limited external incentives for effectiveness and efficiency, and therefore has an almost natural tendency to develop 'red tape':

The result of this may be that for many activities in an organisation it is unclear what they contribute to the primary process and thus to the organisation's right of existence. For such an organisation to formulate its products and then to meet its performance targets creates transparency, which is an incentive for innovation in the organisation.

The external function

People call politicians to account about the service provided by, for example, the police, schools, hospitals and courts. In turn, politicians will call these professional organisations to account about the service provided. Measuring performance is an elegant way of calling an organisation to account: it reduces performance, complex as it tends to be, to a number of figures that are easy to communicate.

Performance measurement promotes learning

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The third advantage of performance measurement is that it may promote learning processes both between and within organisations.

Between organisations

Figures pre-eminently lend themselves to comparison: between police forces, schools, hospitals, courts and so on. Differences between professional organisations may be a reason to identify *best practices*: methods that evidently bring better performance. Comparison may also be an incentive for learning, because it may create *problem awareness*.

Within organisations

An important characteristic of professional organisations is the non-intervention principle: professionals do not intervene in each other's domain and thus leave the fellow professional alone. Non-intervention may harm professional organisations because it hampers the learning processes: professionals receive insufficient feedback on their performance. Performance measurement may play a role in breaking this non-intervention principle.

Output figures make the differences between professional units clear and offer management the opportunity to ask the units questions about these differences. What explains the difference? Why is one unit able to produce more than another unit with the same resources?

Performance measurement enhances intelligence

Performance measurement yields information that may be used to improve the professional service provision.

Therefore, output figures may also be used to improve an organisation's intelligence. This intelligence is also important because many professional organisations are interdependent for their own output. In the criminal proceedings chain, for example, the police output strongly influences the output of the Public Prosecution Service. A police organisation that can furnish clarity about its output (both on long-term trends and providing short-term, 'real time' information) enables the Public Prosecution Service to improve the forecast of its input, thereby improving the arrangement of its production process.

Arguments Deployed Against Performance Management

Sterck, Van Dooren and Bouckaert (2006) argue that measurement of performance is not neutral. Since the Hawthorne experiments, it has been established that the Act of measurement in itself influences performance.

Talbot, (2005:501-505) points out that there have been surprisingly limited academic critiques on performance management specifically. There have been practitioner critiques but this is largely about how performance measurement have been used in a semi-Soviet planning style. Some of the major critiques of performance management are:

Incompleteness

Performance Information is only able to give an incomplete picture of public activities which are diverse and complex. There is bound to be a degree of distortion and exclusion. Thus performance measurement can obscure as much as it reveals.

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The targets do not reflect all the outcomes valued by the core executive and have changed frequently, making progress difficult to assess. Many targets are not fully incorporated in local or other systems where much activity affecting performance takes place (also Oliver, 2004).

Over-Complexity

There is a tendency for performance measurement in a search for completeness to become ever more complex. This results in informational overload which renders the system unworkable and creates incommensurate costs

Transaction Costs

The costs of producing performance can easily become prohibitive. Costs include staff time in completing detailed reporting schedules; information processing costs and managerial time spent assessing performance information.

Attribution

Attribution problems are usually discussed in relation to outcomes. Have the outputs of public services resulted in the desired outcomes and, if so, can they be attributed to outputs. This is difficult to ascertain.

Quantity vs Quality

Performance Measurement is about trying to put quantitative values onto many aspects of public services which are difficult to quantify. Examples such as the inspirational qualities of a teacher are often used.

Manipulation and Deception

Where performance measures can lead to rewards or sanctions, it is argued that they inevitably lead to attempts to manipulate results to present the best possible picture.

Distorted Behaviours and Unintended Consequences

A consequence of the rewards and sanctions, coupled with the problems associated with measuring complex areas of professional practice, may result in changes in behaviour in which performance is not optimised. For example, there has been the prioritisation of non-medically urgent operations in the National Health service (NHS) in the United Kingdom in order to meet waiting time targets in hospitals at the cost of those more urgent.

Cyclical Incompatibility

To be really effective performance management has to be sustained and consistent over long periods of time. The vagaries of short-term political cycles and the determination of politicians to gain short-term political advantages will always undermine such aspirations.

Measurement Degradation

There is empirical evidence to support the notion that the effectiveness of performance measurement deteriorates over time, undermining the very possibility of long-term stability in performance measurement which is important for public accountability and for analytical reasons.

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Politics versus Rationality

This is a much wider argument against all attempts to rational planning, analysis and evaluation in public services. This argument which draws its inspiration from Lindblom is that public systems are dominated by politics which inevitably leads to instability, incrementalism, muddling through, messy compromises and value judgements which fatally undermine all attempts at rational decision-making.

In the case of performance, this emerges as partisan interpretation of figures, distortion by ruling parties and their opponents, instability in measurement regimes and priorities in target setting and the booming costs of inspection, audit and verification.

(De Bruijn, 2007:13-17) adds a further set of objections to performance measurement.

Multiple-value, not single-value products

Products are multiple-value when they have to take account of a number of different values which may also conflict. A school must make its pupils perform well, but must also have a good educational climate (multiple value); its pupils' performance depends on the school's effort, but also on the extent to which pupils are stimulated at home. Performance measurement carries the risk of a manager ignoring some of these values (it only meets clearly definable and quantifiable performance goals) and therefore does not present a proper picture of a professional's performance.

Process-oriented, not product-oriented

Many public organisations are highly process-oriented. Organisations which make policies in an environment that comprises many parties will invest heavily in consultations and negotiations with these parties. The outcome of such negotiations may be difficult to predict; a good process of interaction may nevertheless yield disappointing products. For example, a well-devised and well-performed research process may nevertheless yield limited results but no products such as articles in scientific journals. When processes dominate, performance measurement is pointless.

Products are produced together with others; the professional is not an autonomous producer

The performance of many professional organisations is relational: it is achieved in co-production with third parties. The duration of criminal proceedings before a court depends partly on the stance taken by the defence counsel; a school's performance depends partly on the attitude of the parents. Performance measurement is based on the idea of an organisation being an autonomous producer. Many systems of performance measurement wrongly link the performance achieved and measured to a professional's effort, which produces an incorrect picture.

Products are interwoven, not isolated

Products of professional organisations may interfere with one another. The performance of a municipality's spatial planning department may affect the municipality's environmental performance. When a spatial planning department is measured chiefly in terms of its own products, it has no incentive to invest in good coordination with the environment department. Performance measurement may thus reinforce existing compartmentalisation within an organisation or between organisations. It might be a disincentive for joined-up government.

Causalities are unknown or 'contested', not objective

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The relationship between effort and result is not always known. The interview with a prisoner, aimed at preventing recidivism, is just one of the factors determining whether or not he or she will reoffend. Where such causalities are unknown or contested, there may be either one of two consequences. The outcome (in the example: no recidivism) is only partly the result of the effort made, which means that the measurement does not produce an adequate picture of the performance of the sation concerned. Alternatively, the organisation may respond by choosing to formulate output indicators (the number of interviews conducted, for example), but these, too, provide no adequate picture of the organisation's performance.

Quality measurement requires a rich picture, performance measurement leads to a poor picture

The quality of a great deal of a professional's performance is difficult to establish with the help of performance indicators. The number of a court's judgements says nothing about the quality of those judgements. If performance measurement is nevertheless used, there is a risk that attention paid to quantity will drive out attention paid to quality.

Even the same type of performance shows variety, not uniformity

The same performance may have different meaning in different contexts. A faculty's performance includes its international, scientific publications. In a diffuse field such as business administration, with a fragmented scientific community and a tradition of pluralism, acceptance of a publication means something different from acceptance in a clearly delineated field such as theoretical physics, with a close-knit scientific community and an unambiguous language.

The environment is dynamic, not static

Some of the above objections become even more serious when an organisation's environment is dynamic. When the behaviour of the co-producers in a professional organisation continually changes or when 'quality' is redefined, the possibilities for good performance measurement will decrease. The possibilities to compare performance over a certain time will also decrease

The perverse effects of performance measurement

What are perverse effects and unintended consequences of performance measurement? De Bruijn (2007:17-29) raises a number of issues.

Gaming the numbers

The output figures of the Dutch Public Prosecution Service show that it drops considerably fewer cases than in the preceding years. A reduction in the number of cases dropped is one of the goals of the Minister of Justice; the service that succeeds in reducing the number of cases dropped will receive a bonus. So this is a successful form of performance measurement. Actually, a Public Prosecution Service employee already deletes a large number of offences from the computer at the police station, thereby reducing the number of cases that reach the Public Prosecution Service, which partly accounts for the positive figure mentioned above.

Performance measurement blocks innovation

An organisation faced with performance measurement will make an effort to optimise its production process, allowing it to achieve its output as efficiently as possible, particularly when performance measurement is linked to some form of financial reward. This may be a strong

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incentive to think in 'cash cows': what products are relatively easy to make, enabling as much money as possible to be generated? Thinking in cash cows means that an organisation minimises its throughput, nearly always at the expense of *innovation*.

Performance measurement blocks ambition

The phenomenon that organisations raise their performance by optimizing their input is also well known. The selection criterion for input is that it demands the lowest possible throughput to obtain the desired output. Empirical research also reveals this form of behaviour, known as 'creaming' or 'cherry-picking'.

For example schools that are rewarded for performance have been found to select their input. They manage to keep out potential pupils with learning or behavioural problems or successfully use a 'counselling out' strategy.

An organisation optimizing its input does so at the expense of its *ambitions*. An organisation needs to put in less effort to achieve a desirable output if it manipulates the quality or quantity of the input.

Performance measurement may also veil an organisation's performance. The higher the extent to which information is aggregated, the remoter it is from the primary process where it was generated. The output figure which produces a picture on the level of the whole (macro) is always an average and therefore cannot simply be applied to the individual parts (micro) that have provided information for this aggregated picture.

Performance measurement drives out the professional attitude: no quality, no system responsibility, more bureaucracy

A museum that builds up a collection of works from a variety of values: its collection should have cultural value, should preserve heritage, serves an educational purpose, should make (future) scientific research possible and should serve the public. The essence of the museum profession is the constant trade-off made between these values. The values may conflict: a new piece in a collection may serve the collection's cultural value, but might not attract many visitors.

Performance indicators measure quantities and will therefore mainly be applied to measurable and clearly definable interests; for museums these are the numbers of visitors. As regards the other interests (e.g. scientific research), the performance indicators are always a derivative (e.g. the number of documents consulted by researchers). The result is predictable: when only visitor numbers are relevant, the integrity or cultural value of the collection may suffer. Performance measurement may drive out the professional attitude because the museum concentrates too much on the well-defined tasks.

This driving-out mechanism might occur within, but also between organisations. Research has shown that schools which compete with each other in terms of performance are less prepared to share their 'best practices' with each other.

Performance measurement leads to copying, not learning

Benchmarking means that an organisation is inspired by the experiences of others, but subsequently makes its own choices. However, benchmarking may degenerate into silly copying: the best practices are simply transplanted from organisation A to organisation B. Copying is always risky, because it is never clear *what* exactly is the *best practice* that has to be imitated, and whether an organisation will *accept or reject* the transplant.

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Bird (2005) points out that focusing on indicators rather than the service can result in a type of statistical gaming whereby, instead of improvement in existing services, Performance Management leads to service drift so that *either* individuals are excluded from receiving the service whose attendance would be likely to compromise indicators *or* an institution's range of services is limited in future to those associated with high past performance on measured indicators. Both described changes improve institutional rating without improving performance on a like-with-like basis. Performance Management schemes should be so designed that statistical gaming is detectable.

He goes on to say that many of these negative consequences occur because a strong feature of the justifications for the use of performance management is the assumption that the *process* of measurement does not influence the behaviour of individuals and institutions involved. This assumption, however, is questionable and there is now evidence, especially from health and education, that 'high stakes' performance assessment does indeed affect behaviour, and such side-effects are often counter-productive. Thus, among cardiac surgeons in New York whose individual unadjusted patient death-rates have been published regularly, there has been a tendency to avoid taking on high risk cases with a subsequent increase in mortality of Medicare patients at risk for cardiac surgery). In the State of Texas a programme of rewarding schools and teachers based upon published student test scores has been shown to have produced dubious results, despite apparently very rapid increases in test scores overall as a result of 'teaching to the test') (Bird, 2005;20).

Behaviour change is a factor because no PM scheme can be viewed in isolation from the incentives—designed or accidental—that exist alongside it. Designed incentives often take the form of targets, and a set of consequences associated with performance. If the assessment of management functions in the NHS depends centrally on whether explicit waiting time targets are secured, then this can affect such things as patient handling strategies among health care professionals not directly involved but whose activities contribute to the targets. Public disclosure of police force performance may not be associated with any formal set of incentives, but—given the high media profile of the performance data—it would be surprising if police forces did not make some changes in response to the data.

Performance Management in Practice

Hood (2005:515-516) argues that the United Kingdom took the centralised approach to public service management further than any other country in recent times. While there had been improvement in service delivery substantial questions remained unanswered.

- How much of improvement is attributable to targets and how much is attributable to other targets that took place at the same time, most notably increased public expenditure?

- To what extent do the reported performance improvements reflect real underlying improvement?

- How far did the system manage to avoid some of well-known dysfunctions of performance management through targets and terror?

Hood, 2007: 100) defines gaming or cheating as the deliberate massaging or outright fabrication of numbers collected with the intention of improving the position of an individual or organisation).

In his 2005 article he states that three classic types of target gaming can be identified:

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1. Ratchet effect where the expected tendency of target setters to fix next year's targets as an incremental advance over last year's results causes the managers of production units to restrict performance to well below the production-possibility frontier

2. Threshold effect whereby a uniform output target applying to all units in a system gives no incentives to excellence and may reduce the quality or quantity of their performance to just what the target requires.

3. Output distortion or the manipulation of reported results-'hitting the target and missing the point'

However the managers in charge of targets did not put substantial resources into checking performance data, took performance gains at face value and had no coherent anti-gaming strategy.
Hood (2005:516-517) has produced some interesting data to substantiate his argument. Firstly, he quoted an official government survey which shows that only 37 % of UK respondents thought government statistics are accurate, 14% thought government use official figures honestly and the least trusted were public hospital waiting lists. Secondly, a Commission into Health Improvement found that patients were often required to wait in lines of ambulances outside emergency rooms until the hospital in question was confident that the patient could be seen within a four-hour waiting target: in some cases, hospitals responded to the argument that patients had been admitted to a hospital bed within 12 hours of emergency admission by putting 'beds' into hallways and turning gurneys into beds by removing their wheels.

Hood (2007) also points to the 2006 political crisis in the Home Office over the release of foreign prisoners into the community without deportation (by focusing the energies of senior administrators into targetised activities and 'low hanging fruit' such as the easy deportation cases). He also states that police in UK discourage people from reporting minor crimes in order to keep their crime rate down.

Even where performance is accurately reported and organisations are genuinely improving their performance, it can lead to a focus on narrow outcomes or outputs for one agency to the detriment of other wider policy and programme objectives.

There are other critiques of performance management. Pollitt (2006a) points out that in the United Kingdom the links between performance and money inputs (budgets) frequently remain weak or unclear. Pollitt, 2006b) states that there is little evidence that in the USA and Dutch local government that the performance information is actually used in the process of making budget decisions. Rabin (2006) points out that the Government Performance and Results Act, 1993 does not fit easy into the institutional structures, functions and realities of the American political systems. It has not influenced the substantial policy design and politics or budgetary processes.

There was a feeling that the performance management system was not geared for teamwork, which involves extensive coordination between and within departments. This resonates with international experience (Pollitt, 2003).

Oliver (2004:415 points out that performance has been difficult to track over time because of changes to the definition of objectives and targets and delays in reporting, The targets do not reflect all the outcomes valued by the core executive and have changed frequently, making progress difficult to assess. An alternative model of parliamentary, media and public oversight of targets would assess the levels of performance against targets rather than concentrating on the dichotomy of hitting or missing targets.

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Annexure C: Questions to Inform Decisions as to Whether Issues Require a Whole of Government Approach or Not:

In determining whether a whole of government approach is appropriate, each situation or issue should be examined on a case-by-case basis. For very important issues it is likely that the government or the prime minister or ministers will identify an imperative to tackle a problem through a whole of government approach. For other issues the key challenge for government agencies is to recognise when an issue needs to be dealt with
in this way.

Some initial questions could be:
1. Why do existing policies and programs not deal adequately with the problem?

2. How does the problem relate to the government's core priorities?

3. What are the likely client or community expectations about a solution?

4. Which other agencies are affected by the problem and/or possible solutions?

5. What joint planning, delivery and accountability arrangements would be appropriate?

6. What are the risks of not adopting a whole of government approach to the issue?

7. What are the likely costs and benefits of a whole of government solution?

Source: Australian Commonwealth. 2004: 11.

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Annexure D: Australian Cabinet Implementation Unit Functions and Reporting System

Figure 5: Summary of the functions of the Cabinet Implementation Forum (CIU)

Engagement with agencies
We engage with agencies to provide advice on specific implementation issues outside of the submission process or to provide thematic advice early in the policy development process.

Making Connections
Promoting best practice approaches from other jurisdictions in Australia and overseas, as well as academia and industry, and providing advice on how to apply these in the APS context.

Progress Updates
We work with agencies to monitor and report on the progress of the Government's key policy initiatives.

Proactive Involvement

Policy Expertise

Reporting

Capability Building

Advice for Cabinet

Building Skills Across the APS
The APS Policy Implementation Network (APS PIN), with Deputy Secretary membership, draws on members' experience to share knowledge and develop a culture of collaboration on implementation and delivery.

Implementation Plans
Implementation plans are required for submissions with significant implementation risks or challenges, including those with a Risk Potential Assessment Tool (RPAT) pre-mitgation rating of medium or above. We assess the implementation plans in policy proposals to ensure that decision makers have all the relevant information, including how a policy will be implemented, at their disposal.

Source: Department of the Prime Minister and Cabinet, 2013

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CIU implementation reporting

The Cabinet Implementation unit is responsible for preparing regular whole of government reports for the Cabinet. These reports inform the Cabinet on the progress made in the government implementation and delivery of its key priorities.

Traffic Light Methodology for the CIU

The CIU uses a reporting methodology to ensure implementation assessments made in the reports are based on robust evidence. A traffic light rating methodology is applied to ensure a clear assessment of the level of confidence that policies and programs will be successfully delivered (delivery confidence).

The CIU utilises a four-tier traffic light rating methodology to provide evidence–based assessments of progress, as well as an assessment of emerging and/or residual risks to delivery. The combined assessment of progress and risk provides an overall rating capturing the delivery confidence.

The key factors in assessing delivery confidence are:
1. the status of their progress to deliver on time, to budget and to expectations; and
2. an assessment of risks that, after risk mitigation, may derail or adversely affect delivery of the priority.

Progress is assessed as either *on track* or *off track*. Future risk to delivery is assessed as either in the range *low to medium* or *medium to high*. The combination of progress and future risk generates four options to describe the overall delivery confidence of a specific initiative, as outlined in the matrix below:

Figure 6: Traffic Light Methodology for the Cabinet Implementation Unit
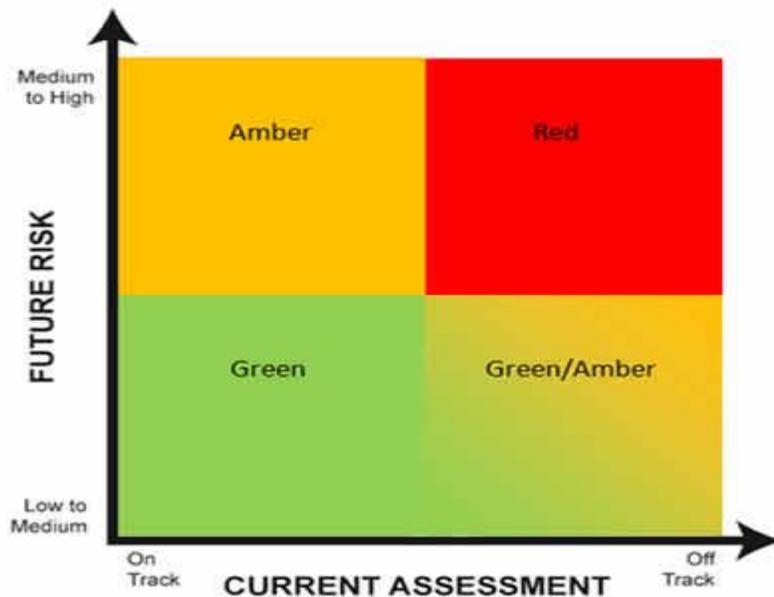
Source: Australian Government: Department of the Prime Minister and Cabinet, 2013