Sustaining Capacity: Building Institutional Capacity for Sustainable Development

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Abstract

The task of converting the rhetoric of sustainable development to real action and change is one that poses significant challenges for local and central government agencies. The complexity of this task is compounded by the increasing acceptance that the impediments to advancing the sustainable development agenda are largely institutional. This thesis argues that, unless explicit consideration is given to understanding institutional change for sustainable development and the ways in which it can be enabled, little progress is likely to be made.

This thesis sets out to examine the contribution of building institutional capacity in enabling institutional change for sustainable development. In doing so it starts by developing conceptual frameworks for both institutional capacity and institutional change. The institutional capacity framework illustrates the integrated nature of capacity building for progressing sustainable development, and the conceptual framework of institutional change is designed to help agencies understand the complexity and holistic nature of institutional change. These conceptual frameworks were developed initially from an analysis of empirical material relating to the institutional issues associated with advancing sustainable development and were informed by the theoretical perspectives provided by new institutionalism and capacity building. Further refinement of the conceptual frameworks was possible by using a case study of a multi-agency public sector sustainable development initiative in the Auckland region of New Zealand.

Analysis of interviews revealed that the building of institutional capacity is enmeshed with institutional change for sustainable development. The failure to understand the

integrated and holistic nature of capacity building has an impact on the success of multi-agency public sector initiatives seeking to change current policy and practice. From the case study and further analysis of the empirical and theoretical literature it was possible to develop a set of institutional design principles that incorporate the conceptual frameworks and seek to make them applicable for the design of multi-agency initiatives. These institutional design principles were tested and refined through further interviews with case study participants, resulting in the development of a process for designing and implementing multi-agency public sector sustainable development initiatives.

The design process embeds the conceptual frameworks for institutional capacity and institutional change, and demonstrates that the task of progressing sustainable development is a process of change and can be enabled by a focus on applying the institutional design principles developed through this research. It is critical, first, that design of new initiatives takes account of the existing institutional landscape and identifies the necessary shifts in each dimension of institutions to ensure institutional change, makes as much use of existing structures as possible, is clear on the purpose of the initiative, specifies the extent of coordination sought between agencies and identifies specific mechanisms to steer integration. The second key component of institutional design is the identification of the institutional capacities required to support the institutional change sought from the initiative, their development during the course of an initiative, and the incorporation of evaluation and reflection as a key element of the process of implementation.

The findings of this research contribute to our understanding of the capacities required to facilitate institutional change and the elements of institutional design that can shape efforts by the public sector to advance sustainable development.

Acknowledgements

Having time to think is often something that we lack as professionals, so being able to blend research with practice has allowed me the freedom to do just that. Over the past six or so years I have been on a journey that has taken me from being a planning practitioner working on a range of interesting projects, to being a sustainability strategist, who is passionate about helping clients to design and deliver projects that will advance sustainable development. The knowledge and learning gained through this research, my involvement in the Low Impact Urban Design and Development research programme, and a wide variety of exciting consulting projects, has challenged me to think differently about how to communicate change, strengthened my belief that all the professions can and must work together, and allowed me to more fully appreciate the enormity of the task placed on central and local government agencies and officials in progressing the sustainable development agenda.

My journey would not have been possible without the support of a range of 'counsellors'. There was the 'operational' counsellor, Penny Lysnar, who was able to simply explain complex theoretical ideas to me, including 'operationalise' and 'discourse'; the 'sauvignon' counsellors, Penelope, Karen, Megan and Kus, who helped me deal with the insanity of being a mum to twins, running a business and writing a PhD; the 'been there, done that' counsellors, Megan and Peter, who often gloated that they had finished their PhDs already, and reminded me that no-one ever reads them when you are finished anyway; the 'providers of space for writing' counsellors, Jane, Paul, Jim, Paula, Gillian, Peter, Megan and Ricky, who let me use their homes for writing; and, the 'we could use someone like you' counsellors,

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Glossary

ASCP	Auckland Sustainable Cities Programme
DFID	Department of International Development
DMPC	Department of Prime Minister and Cabinet
ICLEI	International Council for Local Environmental Issues
LGA	Local Government Act
LIUDD	Low Impact Urban Design and Development research programme
MFE	Ministry for the Environment
OECD	Organisation for Economic Co-operation and Development
PCE	Parliamentary Commissioner for the Environment
PRISM	Pacific Rim Institute of Sustainable Management
PUCM	Planning Under a Co-operative Mandate research programme
RGF	Regional Growth Forum
RMA	Resource Management Act
SDPoA	Sustainable Development for New Zealand Programme of Action
UFDD	Urban Form, Design and Development
UNDP	United Nations Development Programme
WCED	World Commission on Environment and Development
WHAT	World Humanity Action Trust Governance Programme
WSSD	World Summit on Sustainable Development
WSUD	Water Sensitive Urban Design

Chapter One

A Changing Institutional Landscape

1.1 Introduction

> The real world of interlocked economic and ecological systems will not change; the
> policies and institutions concerned must.
>
> (WCED, 1987:9)

Sustainable development, as a paradigm for policy and practice, rose to prominence

when the World Commission on Environment and Development (WCED) released its

1987 report *Our Common Future*. In the report sustainable development was defined

as being '*development that meets the need of the present without compromising the*

ability of future generations to meet their own needs' (WCED, 1987:43), a definition

that is widely used, including in New Zealand. Edwards (2005:17) refers to this

report as helping to define the sustainability revolution and institutionally '*it created*

the first framework for action to protect the Earth's life support systems while

promoting both economic and social justice goals'.

A key aspect of *Our Common Future* was the acknowledgement that the changes

required to progress sustainable development were largely institutional. However, at

the Johannesburg World Summit on Sustainable Development in 2002, there was

recognition by the delegates that the failure to progress sustainable development to the

extent anticipated over the past decade or so could be attributed to the lack of attention on institutional arrangements, as well as the inadequacy of governance tools (OECD, 2002a). This suggests, first, that insufficient attention has been paid to understanding the processes of institutional change to progress sustainable development and, second, that the processes of change are complex and challenging. A focus on institutional aspects of sustainable development, such as institutional capacity, is seen by many as being critical to furthering the implementation of sustainable development (Brown, 2004; Connor and Dovers, 2004; le Heron, 2006; Low, 2005; Wakely, 1997).

This thesis contends that one contributing factor to the slower than anticipated progress with sustainable development is the lack of knowledge about institutional capacity and institutional change by those in the key agencies tasked with implementing sustainable development, such as central and local government. The central research question framed for investigation is *what constitutes institutional change in the context of progressing sustainable development and what institutional capacity needs to be built to support this institutional change?* Drawing on empirical and theoretical material and through the testing and refining of the research findings using a case study, the intention of this thesis is two-fold; firstly, to develop conceptual frameworks for institutional capacity and change to inform the advancement of sustainable development as a public policy goal; and secondly, to set these conceptual frameworks within a design process developed specifically to support multi-agency public sector sustainable development initiatives.

1.2 The Challenge of Moving From Rhetoric to Action

Sustainable development is a challenging and complex policy goal. According to Rydin *et al.*. (2003), this complexity arises from the need to integrate environment, social and economic policy domains, deal with the present and the future through the principle of intergenerational equity, and incorporate the latest insights of environmental science while acknowledging the uncertainty that often surrounds scientific assessment of the environment. In *Our Common Future*, the WCED (1987) suggested that this focus on integration, interdependence and uncertainty contrasted sharply with the nature of the institutions that existed at the time, in that *"these institutions tend to be independent, fragmented, and working to relatively narrow mandates"* (WCED, 1987:310). The WCED (1987) charged the United Nations system with guiding the institutional and legal changes necessary to progress sustainable development − the challenge of converting the rhetoric to action had begun.

Since 1987 a number of factors have emerged as contributing to the challenge of progressing sustainable development, more specifically in inhibiting its establishment as a public policy goal and its effective implementation. These factors include a lack of consensus about its meaning, the complexity of achieving integrated policy making, inadequate policy implementation, and complexities with the long-term nature of progressing sustainable development in policy and practice.

There has been much debate over the definition of sustainable development, with some authors suggesting that this is in part responsible for the slow progress in progressing sustainable development, both internationally (Ayre and Callway, 2005;

Connor and Dovers, 2004) and in New Zealand (PCE, 2002; PRISM and Knight, 2000). In response to the issue of defining sustainable development, many authors are seeking to move the discussion towards the understanding of sustainable development as a process rather than a defined state. This approach is not new. The Brundtland Report (WCED, 1987:9) sought to explain this by suggesting that:

> *...in the end, sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs.*

This sentiment is supported by a number of authors, including Innes and Booher (2003:9), who view sustainability as a process and suggest it must be maintained by what they call a 'distributed intelligence'. Distributed intelligence reflects the inter-organisational nature of the implementation challenge and the need for sectoral policy integration.

The implementation of sustainable development involves many different actors; central, regional and local governments, business, community organisations, and individuals. The challenge is one of how to equip such a dispersed range of sites and actors with the knowledge to progress sustainable development (Rydin, 2002). According to Ayre and Callway (2005) sustainable development is a 'method of structuring our thinking, our decisions and our actions'. PRISM and Knight (2000) suggest that sustainable development involves new ways of doing things and need to reflect a set of values based on participation and inclusiveness. More recently in New Zealand, the Department of Prime Minister and Cabinet (DPMC), responsible for developing the Sustainable Development Programme of Action, suggested that

achieving sustainable development will involve a different way of thinking and working (DPMC, 2003).

In each of these descriptions of sustainable development the central theme is that the identification and development of new processes and ways of working need to be a core part of institutional change. As both Newman (2007) and Bagheri and Hjorth (2007) suggest, sustainable development is an evolutionary process of change, and the challenge is to identify processes that allow sustainable development to be pursued (Dovers, 2005).

It is not intended here to review the myriad of definitions of sustainable development, as so much attention has been given elsewhere to the varying interpretations of sustainable development. It is important, however, to acknowledge the contested nature of what constitutes sustainable development, in particular the strong versus weak models of sustainability. Some (PRISM and Knight, 2000; PCE, 2002; van Roon and Knight, 2004) suggest that the WCED definition of sustainable development is weak in that it is possible to balance ecological needs against economic and social needs. In contrast, strong sustainability is based on a worldview that emphasises 'ecological inviolability' (van Roon and Knight, 2004:26).

The emphasis in this thesis is less on what the detail of national level policy is or should be and how sustainable development should be defined, but rather, as Dovers (2005) suggests, developing the sorts of processes that would allow the general goals or principles to be better pursued. The thesis acknowledges that the New Zealand Government used the WCED definition of sustainable development in the Sustainable Development Programme of Action (DPMC, 2003), and that other interpretations of

sustainable development have been included in legislation, such as the Local Government Act 2002 and the Resource Management Act 1991. The commonality of these central government initiatives is that the implementation task rests primarily on central and local government. However, this thesis suggests that the principles expressed in national and local strategies point towards a pathway to sustainable development but there appears to be insufficient attention paid to developing the knowledge of practitioners to support implementation, nor providing them with tools to assist with this task.

If sustainable development is viewed to be a process rather than a goal, with a need for inter-organisational cooperation, it becomes critical to deal with the challenges presented by the need to integrate policy making and implementation. The concept of integration in the context of policy development and implementation refers to its operational integration within and between organisations, between various professions and interest groups, and with other stakeholders.

A particular concern with the implementation of approaches that span organisations and professional specialisations is compartmentalized policy delivery and what is termed a 'silo mentality' (de Magalhaes, 2002; Low and Imran, 2003; PRISM and Knight, 2000). There is a growing acceptance that the limitations of this way of working need to be overcome. Inter-departmental barriers, where often technical and specialist expertise is valued over ability to transcend functional boundaries (PRISM and Knight, 2000) need to be broken, and strategies need to be developed to enable policy to respond to a fast-changing economic and social environment (de Magalhaes, 2002).

Inter-organisational relationships also need to be developed and fostered. It is commonly accepted that no one organisation can be responsible for progressing sustainable development. Sustainable development requires, amongst other things, the capacity for collective action (Healey *et al..*, 2002) as the impacts cross disciplinary, organisational, sectoral, geographical and even country boundaries (Lafferty, 2004). It requires collective action from bottom-up grass roots community action right through to top-down legislative changes. Pareja Eastaway and Stoa (2004) suggest that a response to the collective action nature of the implementation challenge is to add a fourth dimension – governance – to the commonly accepted view that sustainable development has social, economic and environmental dimensions. Governance in this context refers to the cooperation, partnerships and participation of different actors in the process of sustainable development.

In addition to the challenges already discussed there is the issue of the need to understand that progressing sustainable development is a long-term process (Harding, 2006, Lafferty, 2004). Sustainable development requires significant changes in economic, social and cultural institutions in order to implement the ambitions expressed in the Brundtland Report, at the Earth Summit and at the WSSD. It requires the de-coupling of the pressures of existing economic and social drivers on natural life-support systems (Lafferty, 2004). The processes of change to support these outcomes are long-term and require thought to be given to sectoral policy integration and embedding policy decisions to ensure they endure political and organisational changes.

All these challenges suggest the need for some kind of institutional change. Many authors (including Brown, 2004; Connor and Dovers, 2004; Low, 2005; and Wakely, 1997) acknowledge that the implementation of sustainable development will require institutional change and transformation. This poses challenges for the way policy makers work and will require changes in processes and institutions to support the implementation of sustainable development. As Colebatch (2006) suggests, institutional change is always a work in progress and this contributes to the complexity of progressing sustainable development.

At a global level, the discussions at the World Summit on Sustainable Development (WSSD) suggested that what was lacking was a framework within which to move from rhetoric and promises to action (Ivanova, 2005). This highlights a gap in understanding what it takes to convert the principles of sustainable development as expressed in global agreements and national policy into actual progress with the implementation of policies and practices to enhance sustainable development. The intention of this thesis is to address this knowledge gap by focusing on the contribution of institutional capacity as an enabler of institutional change to progress sustainable development.

1.3 Theoretical Perspectives

According to Evans *et al.* (2005), institutional capacity is the motor of change towards sustainable development, and it incorporates human, organisational, learning, knowledge and leadership capacities that can enable and promote governmental action

in the pursuit of sustainability (ibid, 2005:110). This focus on understanding institutions in the context of progressing sustainable development is considered one of the key factors that will contribute to developing solutions for complex issues which span environmental, social, economic and cultural perspectives (Bulkeley and Betsill, 2005; de Magalhaes, 2002). The theoretical framework used in this thesis to help understand institutions and institutional change is provided by new institutionalism. As Lowndes (2001:1959) says "*new institutionalism seeks to identify the various ways in which institutions embody – and shape societal values, which themselves may be contested and in flux*". Peters (1999:150), in his consideration of the range of versions of new institutionalism, concludes that in all the approaches to new institutionalism:

> *...something about institutions – their values, their rules, their incentives, or the pattern of interactions of the individuals within them – explain the decisions government make. Individuals remain as important actors in most of these theories, but there is substantially greater leverage to be gained through understanding the institutional frameworks within which they operate*.

Low *et al..* (2005) suggest that the term 'institution' can be misleading as it seems to suggests an object or something that has an address or a physical location. As Peters (1999) above suggests, institutions are more than structures, and encompass rules (both formal and informal), traditions, customs and routines that guide human behaviour (Buhrs and Aplin, 1999). Institutions are not to be confused with organisations; these are the way to channel behaviour on the basis of mandates, goals and rules and as such are an active part of the institutional framework (ibid). Another critical element in understanding institutions is that they are already there (Low *et al..*, 2005). In the context of progressing sustainable development, particularly in terms of

the role of central and local government, what is needed is to reshape the outputs of what Low (ibid) refers to as the 'institutional landscape' (p190-191) to drive change towards sustainability.

Several authors, including Lowndes (2001) and Low and Imran (2003), see the value of new institutionalism as being helpful for understanding the emerging multi-agency arrangements which are being formed to address the complex issues such as sustainable development. These arrangements are being put in place to address some of the barriers mentioned such as inter-agency communication and co-ordination. New institutionalism theory provides a way to understand institutional behaviour and the constraints and opportunities inherent in institutions (Low and Imran 2003; Lowndes 2001).

According to new institutionalism, if institutions can be defined in terms of setting the rules of the game, then organisations are how we structure ourselves to play. The key distinction between institutions and organisations is that between rules and players (Department for International Development, 2003). The 'rules of the game' require the building of institutional capacity. Both the institutional and organisational environment need to be supportive of sustainable development. Wakely (1997) suggests that traditionally the focus of capacity building has been around training but that the institutional and organisational constraints pose as great a barrier to sustainable development as the abilities of individuals.

One of the key questions for those involved in progressing sustainable development is how to most effectively build the capacities required (Peltenburg *et al..*, 2000). According to Brown (2004) capacity building is a concept advocated in both

practitioner and academic literature for mobilising institutional change. It also has value as a framework for investigating the capacity of organisations to implement initiatives such as sustainable development.

The literature and theory on new institutionalism and institutional capacity building underpin the frameworks and design process developed, tested and refined in this thesis.

1.4 Research Approach

The starting point for this thesis was an interest in what is required to shift policy and practice to embrace, and ultimately implement, paradigms such as sustainable development. Since the early 1990's, starting with the enactment of the Resource Management Act (RMA) in 1991, there has been debate and discussion around how sustainability principles are being implemented by practitioners. With little guidance from central government, the task of implementation of the RMA rested with local government, who seemed to lack the knowledge to support the necessary shifts in policy and practice to realise the ambitions of those who crafted the RMA. In 2002 the New Zealand Government enacted the Local Government Act (LGA). The LGA had a strong focus on sustainable development and had the potential to impact on planning practice and to challenge planners, councils and communities to think more broadly about sustainability than was possible under the Resource Management Act 1991. Once again the implementation of the LGA was left to local government, with little guidance provided by central government on the knowledge to transition from

the more familiar sustainable management to the more holistic sustainable development approach (Memon and Thomas, 2007; Ericksen *et al..*, 2003).

More specifically for this thesis, involvement in the Low Impact Urban Design and Development (LIUDD) research programme provided the author with an opportunity to explore this issue in depth. The LIUDD research programme was funded by the New Zealand Foundation of Research, Science and Technology and ran from 2003 – 2009. The research focused on challenging conventional approaches to urban development and encouraging a shift to more sustainable urban development practices that could deliver multiple outcomes to communities.

Taking on the role of project manager, as part of the University of Auckland's involvement in the LIUDD research programme, provided the author with an opportunity to observe the difficulties associated with the uptake of research knowledge and its subsequent ability to influence and change policy and practice, and to facilitate relationships between researchers and practitioners. It became apparent through involvement in the LIUDD research programme that practitioners, in particular those working in local and central government charged with implementing sustainable practices, needed assistance in understanding how to implement change.

The knowledge gap that was identified at the outset of this research is that the practitioners who are tasked with progressing sustainable development as a goal for public policy do not know enough about the processes of institutional change nor the contribution of capacity building to enabling change. Public agencies have a role in leading policy and practice in this area, so providing them with this knowledge is important to moving on from the rhetoric of sustainable development. Hence, the

central research question is *what constitutes institutional change in the context of progressing sustainable development and what institutional capacity needs to be built to support this institutional change?*

In answering the research question, this research draws on both theoretical and empirical literature to initially develop conceptual frameworks to elucidate the concepts of institutional capacity and institutional change in the context of advancing sustainable development as a public policy goal. These conceptual frameworks are then tested using a case study of a three-year multi-agency [local and central government] sustainable development initiative in Auckland, New Zealand. The Urban Form, Design and Development (UFDD) initiative sought to build a stronger working relationship between central and local government to support the pursuit of sustainable development. The results of this testing (phase one of the case study) are then drawn on to not only refine the conceptual frameworks but to develop a set of principles to inform the design of multi-agency initiatives that seek to effect institutional change. These principles are then tested against the case study (phase two of the case study), resulting in the development of a process to guide the design and implementation of multi-agency sustainable development initiatives. The research approach is shown diagrammatically in Figure One.

It is the intention of this research that the design process may become a useful tool for practitioners involved in multi-agency sustainable development initiatives. Practitioners may be able to use this process, and the conceptual frameworks embedded in the process, to deepen their understanding of what constitutes

institutional change and how an integrated approach to institutional capacity building
will support and contribute to the necessary changes in practice.

Figure One   The Research Approach

Knowledge gap = practitioners tasked with progressing sustainable development as a public policy goal do not know enough about the processes of institutional change nor the contribution of capacity to enabling change

Research question – what constitutes institutional change in the context of progressing sustainable development and what institutional capacity needs to be built to support this institutional change?

Empirical material [Chapter Two]

Theoretical material [Chapter Three]

Conceptual frameworks developed for institutional capacity and institutional change [Chapter Three]

Tested and refined using a case study [phase one] Chapter Four, Five and Six

Institutional design principles developed [Chapter Seven]

Tested and refined using a case study [phase two] Chapter Four, Five, Six and Seven

Design process developed to support multi-agency public sector sustainable development initiatives [Chapter Eight]

1.5   Chapter Outline

The structure for this thesis reflects the research process undertaken for this investigation (as shown in Figure One above). Following this introduction, Chapter Two provides the context for understanding the institutional nature of the implementation challenge for sustainable development and has two main aspects. The first is a review of international practice and thinking around the advancing of sustainable development from rhetoric to action. The second part of this Chapter examines the institutional context for advancing sustainable development in New Zealand. It includes a discussion on the institutional impediments and then reviews how the public sector has responded to issues of capacity and change, as both central and local government look for ways of progressing sustainable development as a public policy goal.

The theoretical foundations of this thesis are introduced in Chapter Three. New institutionalism theory is presented as a useful lens through which to explore and understand institutional change, followed by an exploration of the contribution of capacity building to changing the institutional landscape. This literature review leads to the development of two conceptual frameworks – institutional change and institutional capacity – that will subsequently be tested and refined using the UFDD case study. The material in Chapter Three is also drawn on later in the thesis in the proposition of a set of institutional design principles and the subsequent development of a design process.

Chapter Four introduces the case study that is used in two ways in this research. Firstly, to test and refine the conceptual frameworks proposed in Chapter Three, and

secondly, in the development of the institutional design principles and the embedding of the frameworks and principles into a design process. The case study is the Urban Form, Design and Development (UFDD) initiative. It was designed as a multi-agency public sector initiative, as part of the New Zealand Government's Sustainable Development Programme of Action, to help overcome some of the known impediments to advancing sustainable development. As such, it provides an opportunity to test and refine the propositions development through this research against an initiative designed to progress sustainable development, albeit it in the specific context of urban form, design and development.

Chapters Five and Six present the findings from the UFDD initiative case study. The intent of this thesis is not to evaluate the UFDD initiative. However, it provides a means by which to explore notions of capacity and change. In Chapter Five, the institutional capacity framework is tested and subsequently refined. And in Chapter Six, the institutional change framework is tested for its usefulness in describing and contributing towards a deeper understanding of the elements of change and how practice may need to shift in order to facilitate change. Both Chapters conclude with the presentation of the refined conceptual frameworks.

The material from the preceding Chapters is brought together in Chapter Seven in order to identify and highlight the key findings from this research and their contribution to answering the research question. The intention for this Chapter is to incorporate the conceptual frameworks for institutional capacity and institutional change with the material reviewed in Chapters Two and Three to develop a set of institutional design principles. These institutional design principles are then tested and

refined by interviewing some key participants from the UFDD initiative for a second time, and subsequently embedding these into a design process that may be utilised by public sector personnel to inform the design and implementation of future multi-agency sustainable development initiatives.

Chapter Eight concludes with a reflection on whether the central research question was answered, identifies the contribution to knowledge provided by this research, and presents future research directions.

Chapter Two

Moving on from the Rhetoric of Sustainable Development

2.1 Introduction

Converting rhetoric into action remains an institutional challenge to be overcome in efforts to advance sustainable development as a focus for public policy in New Zealand and internationally. Many authors contend that the current policies and practices are not delivering on the vision originally expressed in 1987 in the Brundtland Report (Connor and Dovers, 2004; Lafferty, 2004; Low, 2005; OECD, 2002a; WSSD, 2002). Contributing to this lack of progress are the institutional challenges associated with the long-term nature of the task, an understanding that sustainable development is a process rather than a fixed definable state, the lack of integrated policy making and implementation, and the difficulties that arise when a range of agencies work together.

The purpose of this Chapter is twofold. First, it draws on the empirical literature to identify the institutional hurdles to progressing sustainable development and to explore the emerging responses to shifting from rhetoric to action. And secondly, to examine the institutional context in New Zealand through which sustainable

development is being progressed as a public policy driver, including identification of institutional impediments as well as efforts to shift towards sustainable development.

2.2 The Institutional Hurdles to Change

The impediments to progressing sustainable development have been recognised and acknowledged by many authors (including Borrie *et al.*, 2004; Connor and Dovers, 2004; Ivanova, 2005; Lafferty, 2004; le Heron, 2006; Peltenburg *et al.*, 2000; PCE, 2002; OECD, 2002a; PRISM and Knight, 2000; and Wakely, 1997). These impediments are largely institutional in that they relate to the processes, arrangements, laws or customs that allow organised, collective effort around common concerns (Dovers, 2005; Spangenberg, 2002). In this context, these hurdles encompass the structural and behavioural elements of current processes and arrangements that effect the advancing of sustainable development.

In this thesis, the institutional hurdles have been identified as 'silo' approaches to policy formulation and delivery, the difficulties of planning for the long-term when setting policy and making decisions, and the lack of tools and skills to support integration of the people and policy required for implementation. A fundamental element of sustainable development is the need for an integrated and coordinated approach to its implementation. An improved understanding of these institutional hurdles is necessary.

The first hurdle is the 'siloed' nature of policy formulation and policy delivery which is often cited as an important barrier to overcome in implementing sustainable development (Ayre and Callway, 2005; Banister, 2005; OECD, 2002a; Sustainable Development Commission, 2004). The OECD (2002a) emphasized how the cross-cutting nature of sustainable development can impact on governments' capacity to act rapidly and can be at odds with the way policies have traditionally been formulated and developed. Policy delivery is often compartmentalized, with professional and sectoral specialization leading to what is now commonly called 'silo' mentality (de Magalhaes, 2002; Frame and Taylor, 2005; Low and Imran, 2003; PRISM and Knight, 2002). These can extend horizontally across departments within an organisation, horizontally across different organisations, as well as vertically amongst levels of government. According to Roberts and Hills (2002), it is unlikely that sustainable development can be promoted, through policy and projects, in an effective and lasting manner through a series of separate sectoral actions. Instead there needs to be a focus on building the capacity of people and organisations who have responsibility for advancing sustainable development to ensure more integrated and coordinated working practices.

The second hurdle is the long-term nature of the challenge. Sustainable development is an inter-generational issue and, as such, solutions require strategic choices for the longer-term and a capacity to maintain commitments over time (OECD, 2002a). The de-coupling of existing economic and social drivers on natural life-support systems, whereby economic growth and social prosperity do not come at the expense of environmental quality, is not going to happen in a short period of time (Lafferty, 2004). Policy decisions for the long-term that are made today are going to have to

endure political and organisational changes. While it is acknowledged that policy decisions may change in the future to take account of new information and knowledge, these decisions are at risk from a political landscape that typically changes every three or four years, as well as organisational structural changes that could re-arrange participants and processes. A particular challenge for sustainable development is how to embed policy decisions and integrative approaches, how to effectively communicate the policy decisions so they can endure such changes, how to have enough flexibility and adaptability within the policy framework to incorporate new understandings, and how to bridge the gap between policy and its implementation.

The third hurdle is the lack of skills and knowledge to support integrated and coordinated approach to policy delivery. Banister (2005) and Winston (2005), in their consideration of the barriers to implementing sustainable transport and housing policy, highlighted problems with coordinating actions between different organisations or levels of government, the capacity or motivation of those responsible for implementation, and insufficient trust between relevant actors. While accepting that the traditional technical know-how of professions is still important, established routines and relationships need to be overhauled (Hague, *et al.,* 2006). Those involved in implementing sustainable development need to have access to skills and knowledge to be able to exert some influence across agencies and amongst a diverse range of people (Rydin, 2002).

In response to these institutional hurdles increasing attention is being paid to the issue of capacity building. According to Baker (1997), insufficient capacity can hinder any

vision becoming reality. The concept of capacity building has wide usage but what it might actually involve appears to be less well understood (Evans *et al.*, 2005). The Sustainable Development Commission (2004), in their review of the delivery of local sustainable development in the United Kingdom, suggested that capacity building constitutes not just technical and professional understanding of sustainable development but also that of process. Their research findings suggested that there was little evidence of sustainable development being integrated into organisational learning and development programmes (Sustainable Development Commission, 2004). Capacity building is still often seen by organisations as solely being about supporting and extending the technical competence and knowledge and skills of individuals.

More specifically, capacity building for sustainable development is also about the confidence and motivation of individuals, the flexibility and openness of structures, the commitment and leadership of elected representatives and the type of organisational culture (Expert Group on the Urban Environment, 1996). With the growing awareness of the need to better understand what it will take to operationalise the principles of sustainable development (Berke and Manta Conroy, 2000), a more holistic approach to capacity building is seen as being a key factor in the process of institutional change to promote sustainable development (Rietveld and Stough, 2005; WHAT Governance Programme, 2001). The elements of a holistic approach to capacity building encompass the skills of individuals, the processes required to support integration and coordination, and the design of initiatives that support the progression of sustainable development.

Central and local government have a crucial role to play in the shift towards sustainable development, particularly in the shaping of the institutional landscape to support change. They are responsible for coordinating the integration of ecological, economic, cultural and social dimensions into all policy sectors and ensuring policy coherence across the levels of government (Baker, 1997). A range of responses and approaches have been documented in the empirical literature that seek to address the institutional hurdles and to guide institutional change for sustainable development.

2.3 Participants, Processes and Pathways as Dimensions of Institutional Change

For the purposes of exploring these responses three broad themes have been identified – Pathways, Processes and Participants. 'Pathways' refers to ways in which the individuals and organisations organise themselves in order to be more effective in progressing sustainable development; 'Processes' refers to ways in which individuals and their organisations will need to work in order to be ensure integration and coordination to progress sustainable development; and, 'Participants' refers to the skills and knowledge that individuals need to become effective agents of change.

2.3.1 Pathways

A commonly recurring theme in the literature is the issue of governance and what it means for sustainable development. There is no one clear definition of governance in this context, rather a collection of approaches that contribute to this discussion on pathways. In Chapter One governance was referred to as the cooperation,

partnerships and participation of different actors in the process of sustainable development. This is a broad perspective of governance and requires some elucidation. Hague *et al.* (2006) suggest that good governance is the process of decision-making that recognises, respects and engages all the potential actors and stakeholders who will be affected by decisions that are made. Institutional arrangements are the way in which participants and processes are structured during policy development and implementation. Rydin (2002) stresses that institutional arrangements in this context recognise that institutions are not just organisational structures but also the norms and routines or practice within and between those organisations. How to support the creation of new relationships across divides between actors, and how to handle the flow of knowledge and technological innovation to achieve change are some of the key challenges that need to be addressed through institutional design (Rydin, 2002).

According to Gleeson *et al.* (2004), governance provides governments with the imperative to integrate internal policy, regulatory and administrative functions in order to transcend functional divisions between departments and agencies. As has been discussed already, sustainable development is a multi-dimensional policy problem that requires collective action to address. This implies that governance also encompasses relationships between government and society, with the formation of partnerships being a key tool to capitalize on energy and expertise (Gleeson *et al.*, 2004). Attention on governance for sustainable development suggests a re-definition of the boundaries and hierarchies of the public sector, of the roles of public, private and community sectors, as well as a focus on partnerships and networks (de Magalhaes, 2004).

The OECD (2002c) developed a checklist for improving policy coherence and integration for sustainable development, which Lafferty (2004) considered to represent a well-documented and relatively consensual set of crucial issues related to governing for sustainable development. The checklist is presented as follows (OECD, 2002c:5):

> *The criteria presented….constitute some of the fundamental elements that need to be borne in mind when assessing institutional and decision-making practices for sustainable development. The guiding principle in designing these criteria is improving policy coherence and integration. In this context, effective implementation of sustainable development requires:*
> - *A common understanding of sustainable development*
> - *Clear commitment and leadership*
> - *Specific institutional mechanisms to steer integration*
> - *Effective stakeholder involvement*
> - *Effective knowledge management*

A key consideration for this discussion of pathways is that it is impossible to design institutions afresh as they already exist. Both van Bueren and ten Heuvelhof (2005), and Low *et al.* (2005) stress that in considering institutional arrangements it is important to realize there is an existing institutional context. As was introduced in Chapter One, Low *et al.* (2005) suggests that the institutions need to be reshaped so the output of the institutional landscape flows in the direction of sustainability. This is a difficult, long-term process that means changing the procedures and routines, norms and beliefs and conventions that construct the landscape (Low *et al.* 2005). According to van Bueren and ten Heuvelhof (2005) the chances of success increase when governance arrangements are better tuned to the environment that is the focus of change, and that the more governance arrangements respect the institutional context in which they are used, the higher their quality.

There is much discussion in the literature on whether these arrangements should seek to work in which existing structures or set up new arrangements. The OECD (2002a), in its work looking at the capacity to deliver coherent approaches and responses through government for sustainable development, identified two arrangements: either develop new working practices within government in order to overcome traditional segmentation, or establish new institutions to foster integration. It suggests that the traditional response is to create a new organisation (OECD, 2002a; OECD, 2002c). However, new organisations may be unable to adequately respond to the challenges posed to public policy systems in progressing sustainable development as they are typically stand-alone. Implementation of sustainable development requires specific initiatives by government to better integrate social, economic and environmental goals within the mandate of each existing institution (OECD, 2002c).

The view that it may be preferable to utilise existing structures is supported by a number of authors including the WHAT governance programme (2001), van Bueren and ten Heuvelhof (2005), Connor and Dovers (2004) and Low *et al.* (2005). WHAT (2001) acknowledges that in order to maximise chances of success, the reform of governance should be based on strengthening existing structures. van Bueren and ten Heuvelhof (2005) also explore this issue in their research on the success or failure of governance arrangements. In their work they found two recurring themes associated with successful institutional arrangements. The first is the importance of making use of existing institutional structures. They considered that this allowed the actors to have the opportunity to tune the arrangement to their environment. These actors know best what this environment looks like and what rules and relationships should be respected (van Bueren and ten Heuvelhof, 2005). The second was to provide the

actors with the opportunity to reframe the arrangements to couple the emerging policy directions to their own goals and interests, and to tune the arrangement to other decision-making processes. van Bueren and ten Heuvelhof (2005) suggest that a combination of these strategies can contribute to the success of institutional arrangements.

Dovers (2005), in his work on institutional arrangements for sustainable development, identified two important considerations: the purpose or kind of coordination, and the degree of coordination. Coordination might be intra-jurisdictional where the purpose is to increase coordination across portfolios and policy sectors within a jurisdiction. It might be inter-jurisdictional where the purpose is to increase coordination across the political and administrative boundaries that define jurisdictions (vertically or horizontally). Or it might be about creating a new jurisdiction where the problems being addressed are perceived to be serious enough to warrant the creation of a new spatial scale of policy or administrative competence (*ibid*). In terms of the degree of coordination it can range from working within existing institutional entities to establish informational or functional linkages across sectors or jurisdictions, or the establishment of new institutional entities. Dovers (*ibid*) then suggests that consideration needs to be given to whether the policy coordination will be undertaken primarily by government or whether new or extended forms of multi-stakeholder structures and functions are warranted to enhance policy connectivity across policy sectors – this is more of a governance approach. The final design is likely to include a range of mechanisms rather than relying on one (Dovers, 2005; van Bueren and ten Heuvelhof, 2005).

Two other attributes of governance are useful for this discussion. van Bueren and ten Heuvelhof (2005) consider sustainable development to be an ongoing learning process in which actors from different networks and professions exchange and interact in ways that leads to learning about both the problems and the actions needed to address the problem. They suggest that for governance processes to be successful there needs to be some impact on cognitive learning, whereby those involved need to have collectively learned about the nature of sustainable development and have come to an improved and shared understanding (van Bueren and ten Heuvelhof, 2005). Innes and Booher (2003) view a successful governance system as being one that depends on a distributed intelligence system where many players are able to act independently on the basis of their own local knowledge in ways that will be beneficial not only to themselves, but also to the system as a whole. They suggest that a governance system with capacity is resilient, responds quickly to new conditions, events, opportunities and problems, and adapts and changes procedures and relationships as needed (Innes and Booher, 2003).

According to Bulkeley and Betsill (2005) the success of governance in dealing with urban sustainability is determined by the competencies of policy makers, inter-departmental tensions within the local authority, problems associated with changing institutionalised practices and the strength of entrenched policy coalitions. An approach to governance that seeks to address these tensions is more likely to be successful. A governance system that understands the need to build the capacities of individuals and nurture the collaborative nature of the process is necessary for the implementation of sustainable development.

In all the perspectives discussed above there are some common themes that emerge around pathways. There is a clear role for decision-making processes that respect and engage all those who will be affected by decisions and for structures that support the creation of new relationships across professional and organisational boundaries. It is also important that there is a flow of knowledge amongst the actors and that any arrangements are resilient as well as responsive to any new conditions. The pathways that will support the advancement of sustainable development will be both formal, such as legislation or cross-jurisdictional project teams, as well as informal, such as the norms and values that support the attributes identified above.

2.3.2 Processes

Connor and Dovers (2002) suggest that the processes utilized to progress sustainable development need to integrate, encourage or demand policy integration, or research and develop new methods for such integration; and allow or encourage community participation in policy debate, policy formulation and management. A review of the literature suggests that the processes are focused on how participants work together and how they interact. These process characteristics include:

- vertical and horizontal integration (Evans *et al.*, 2005; OECD, 2002a; Sustainable Development Commission, 2004);

- building of trust and confidence (Sustainable Development Commission, 2004);

- development of partnerships (Frame and Taylor, 2005; Larner and Craig, 2005; Lowndes and Skelcher, 1998; Sherlock *et al.* 2004);

- changes in organisational culture (Sustainable Development Commission, 2004);

- use of collaborative processes (Berke and Manta Conroy, 2000; Healey, 1998; Lozano, 2007; Manta Conroy and Berke, 2004; Margerum, 2001) and structures (Innes and Booher, 2003); and

- networks (Cars *et al.*, 2002; Eckerberg and Lafferty, 1998; Low *et al.*, 2000; Taylor, 2002).

The integrative nature of sustainable development calls for both vertical and horizontal integration. Vertical integration refers to the hierarchy within organisations, as well as between tiers of government – such as local, regional and national. Horizontal integration refers to between departments internal to an organisation, as well as between a number of organisations. Exchange and cooperation between departments within organisations needs to become normal daily working practice (Evans *et al.*, 2005). The OECD (2002a) suggest that horizontal integration between entities in the same tier of government requires strategic planning involving multi-stakeholder forums that are designed to initiate public debate and advise the government on policy matters. This multi-stakeholder approach acknowledges the collective nature of progressing sustainable development and that more than public agencies need to be involved in its evolution. Williams (2002) takes this a step further by proposing 'strategic architecture' which introduces the need for a portfolio of competencies – skills, aptitudes, attitudes, personal traits and behaviours – appropriate to the current and emerging policy environment. The issues of skills and knowledge are expanded further in the next section on participants.

The Sustainable Development Commission (2004) also address the issue of integration by suggesting that there needs to be greater clarity on how different levels of government can best work together and with other sectors in society. In addition, they also suggest that this can only be achieved through learning and innovation, through experimenting with different processes to achieve integration and having the confidence to share mistakes as well as successes, and to learn from the experiences (Sustainable Development Commission, 2004). Confidence and trust (Sherlock *et al.* 2004) are also key attributes of processes designed to progress sustainable development. To achieve this, organisations need to allow time and space for learning. Evans *et al.* (2005) identified 'learning as an organisation' as being a key factor in building capacity with local government to successfully implement sustainable development. This means investing time in training for both staff and politicians, and for local government to develop its abilities to have dialogue with other organisations, including central government, non-governmental organisations and the communities its serves.

A key process that supports the advancement of sustainable development is the development and nurturing of partnerships. According to Sherlock *et al.* (2004) partnerships are embraced for four reasons: to improve the understanding of problems; to develop resource-efficient management solutions; to improve implementation of these solutions; and to improve communication and trust. The issues of communication and trust have already been noted as core elements of the task of progressing sustainable development. Partnership as a way of working may be able to contribute to the development of these attributes. Larner and Craig argued

in 2005 that the focus of government in New Zealand[1] was on advancing joined-up, inclusive governance characterized by relationships of collaboration, trust and partnerships. This partnership approach extended across economic, social and environmental governance (Larner and Craig, 2005). The "*Sustainable Development for New Zealand: Programme of Action*" (DPMC, 2003) is one example of government using a joined-up approach.

Frame and Taylor (2005) also highlight partnerships as being an important mechanism to achieve sustainable development, with the sharing of knowledge and experience being a key output from a partnership approach. This in turn leads to organisational learning and constructive change. Frame and Taylor (2005) suggest that the partnerships will work best in New Zealand when individuals, who are able to identify opportunities to make a difference beyond their working role, are empowered through the process to maintain and develop partnerships.

According to Lowndes and Skelcher (1998), while multi-organisational partnerships are now an important part of governing and managing public programmes, there are often tensions involved in seeking collaboration in a severely constrained resource environment. Sherlock *et al.* (2004) then suggest that participants in these multi-organisational partnerships are yet to experience the benefits of the partnerships. They suggest key areas that might contribute to a more successful implementation of collaborative approaches include: providing incentives for partnership-working through demonstrating how the perceived benefits outweigh the costs, developing inter-organisational trust, and providing organisational support in terms of resources

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[1] At the time of conducting the research for this thesis the government was led by a Labour coalition. There was a change of Government in November 2008 when a National-led coalition assumed power.

(Sherlock *et al.*, 2004). Partnership approaches challenge traditional ways of working, sometimes referred to as 'business-as-usual' (Frame and Taylor, 2005), so time and thought needs to go into supporting these approaches through structural and cultural changes within and between organisations.

Integral to all these processes that support change is a supportive organisational culture. The Sustainable Development Commission (2004) noted that change needs to happen within the culture of government, including the need to be collaborative and partnership-based, value and capitalize on formal and informal networks, with a 'can-do' culture that allows people working within organisations to think beyond traditional 'silo' boundaries of departments and different professional perspectives.

Collaboration is advocated because it is more focused on outcomes rather than narrower jurisdictional and single issues (Margerum, 2001). Collaborative processes are considered to be an effective way of ensuring that local policy cultures are well integrated, well connected and well informed (Healey, 1998), leading to better sharing of knowledge, skills and experience. Lozano (2007) suggests that collaboration harvests its benefits from differences in perspectives, knowledge and approaches. For organisations, this collaboration is both internal and external. Innes and Booher (2003) suggest that collaborative capacity within an organisation, allows it to integrate well, both vertically and horizontally, and to be able to respond to change quickly. This collaborative culture also needs to recognise that both tangible – legislation, plans, policies for example - and intangible products are valid outputs from a process. Innes and Booher (2003) advocate for equal recognition of intangible products such as

new or stronger professional relationships, building up of trust and shared intellectual property.

As was noted in the introduction, networks are increasingly being recognised as a useful tool to address issues, such as sustainable development, that are complex. Low *et al.* (2000) highlight the formation of networks as a key feature of governance for sustainable development, where there is the possibility of multiple linkages among actors in the network. According to Taylor (2002), these networks can either be formal or informal, suggesting that there is a strong argument for process rather than for procedures and structures, and for informality rather than formality. Cars *et al.* (2002) support this view and suggest that the networks need to be based on trust and rely on informal opportunities for cooperation. Informality for networks is seen as allowing partnerships to operate nimbly across boundaries rather than creating new boundaries of their own. Another suggestion is that networks need to extend beyond the 'usual suspects' (Sherlock *et al.*, 2004: 651), in that often those who are responsible for building the networks draw on individuals with whom they already know and are comfortable working with. As was discussed above, participants in the process need to be innovative in the way they identify networks and look across professions, organisations and cultures in order to support action and change and the sharing of knowledge, experience and learning.

It is appropriate at this stage to acknowledge the significance of power relations as they relate to the advancement of sustainable development as a public policy goal. A detailed consideration of this issue was beyond the scope and focus of this research. However, it has been addressed by other researchers including Howell (2004a),

Lowndes (2005) and Lowndes and Skelcher (1998). The issue of leadership in this context is also important. More detailed consideration of this as an attribute of participants involved in sustainable development initiatives is provided in the next section of this Chapter. And recent work from researchers at Monash University's National Urban Water Governance Program has focused on the issue of leadership in the specific context of water management and governance (Morison, 2009; Taylor, 2008; Taylor, 2010).

2.3.3 Participants

Key to the success of any of the processes discussed above are the individuals with the necessary capacities to participate effectively. According to Innes and Booher (2003) an individual with more capacity to participate in collaborative processes is one with a particular set of skills and a better understanding of problems and opportunities and of others' perspectives. The integrated and coordinated process needed for progressing sustainable development will draw on a wide range of skills, some of which might be new to those involved.

Traditionally, disciplines such as engineering, the environmental sciences and economics have been highly sought after to address the issues associated with sustainability. While the skills and knowledge associated with these disciplines are still essential to progressing sustainable development, 'softer' skills are increasingly being acknowledged as having equal value (de Magalhaes, 2004; Hague *et al.* 2006; Larner and Craig, 2005; Rydin, 2002; Williams, 2002). Hague *et al.* (2006) note that while these skills are not entirely new, what is different now is that they are essential.

The skills and knowledge that have been identified in the literature for sustainable development include:

- facilitation (Dalal-Clayton and Bass, 2000; Manta Conroy and Berke, 2004);

- conflict resolution and negotiation (Williams, 2002; Hague *et al.* 2006; Bradwell *et al.*, 2007; Innes and Booher, 2003);

- communication (Innes and Booher, 2003; Hague *et al.*, 2006; Bradwell *et al.*, 2007);

- development of implementation strategies (Low, 2005);

- project management (Low, 2005; Bradwell *et al.*, 2007);

- development and fostering partnerships (de Magalhaes, 2004; Williams, 2002);

- skills to work in a collaborative environment (Williams, 2002);

- willingness to experiment and learn (Hague *et al.* 2006) and share information, experience and learnings (Roberts and Hills, 2002);

- creativity (Evans *et al.,* 2005; ICLEI, 2004; Williams, 2002);

- the ability to identify paths for change and action (Schofield, 2007);

- leadership (ICLEI, 2004);

- understanding of the various roles and linkages of those involved in a collaborative effort (Dalal-Clayton and Bass, 2000; Innes and Booher, 2003);

- the ability to mobilise the collective wisdom of the many individuals and organisations involved in sustainable development activities (Gleeson and Low, 2000); and

- understanding the various networks (information and people) and key relationships that exist – both formal and informal – and how to use them to progress sustainable development (Hague *et al.,* 2006).

Each of the skills identified above is discussed in more detail below.

Those involved in public policy processes, such as developing policy and strategies for sustainable development, as well as project delivery, require skills in facilitation. This is increasingly being acknowledged as a core skill for those involved in processes that draw on knowledge and expertise from across departments, professions, organisations and sectors. There is likely to be a diversity of stakeholders in a collaborative effort (Innes and Booher, 2003), so the ability to manage the contributions and efforts of a range of participants is a core skill. According to Manta Conroy and Berke (2004) the role of the facilitator is to ensure that all stakeholders are represented and that the participation process is one that is balanced in an overall manner.

Closely linked with facilitation skills are those of negotiation and conflict resolution. Inevitably in multi-stakeholder processes there will be differing viewpoints and aspirations. These are important in a collaborative effort because they provide access to a range of skills and knowledge (Innes and Booher, 2003). According to Gleeson and Low (2000), the aim of planning is to open up the maximum range of values, ideas and options that the political community is able to create, and then to come to some agreement about the best course of action. This type of process will require individuals with skills in negotiation and conflict resolution. Hague *et al.* (2006) suggest that the ability to negotiate will require an individual to have the capacity to

understand issues that divide and unite parties, to scope the range of acceptable solutions, to communicate effectively, and be willing to compromise.

The need to be able to communicate effectively has been identified as another core skill. According to Hague *et al.* (2006) necessary communication skills include listening, presentation and marketing. Individuals involved in sustainable development processes will need to be able to clearly articulate their ideas so they can obtain support for their projects and inspire others about what is possible (Hague *et al.* 2006). Individuals, in particular leaders in a process, need to be able to communicate about the long-term nature of sustainable development in order to mobilise change and the specific goals or outcomes they are seeking. Having strong leadership is an essential element in progressing sustainable development. Both local and central government need to lead by example in order to build up trust and credibility (ICLEI, 2004).

Another attribute of participants is the building of inter-professional understanding as a way of overcoming 'silo' mentality. de Magalhaes (2004) sees bridging the gaps between various bodies of knowledge as being integral, and that there is a need for processes to support the bringing together of knowledge and expertise from across and between organisations. Participants need to understand more about each other in order to determine ways of working together (Hague *et al.* 2006). Overcoming the 'silo' mentality will also require relationships to be formed that are based on respect and trust.

Networks also assist with building relationships and addressing the issues of 'silo' mentality. Participants need to be able to tap into networks of both people and

knowledge (Manta Conroy and Berke, 2004). Progressing sustainable development will tend to be slow and challenging and networking with others will provide support and opportunities to learn (Evans *et al.*, 2005). Participants also need to be able to readily identify sources of information and knowledge.

In addition, projects need to be managed well. A fundamental platform for effective delivery of professional services is good management of projects, finance, time and property (Hague *et al.*, 2006). Low (2005) suggests that this is not a skill that many planners are taught in tertiary planning education programmes, yet is critical to ensuring the success of initiatives aimed at improving the progress with sustainable development.

Creativity is another skill that has been identified. According to Hague *et al.* (2006), creativity in processes as well as in seeking solutions are a key part of addressing difficult and complex situations, such as those presented by sustainable development. Individuals need to be creative in order to challenge existing ways of doing things and in seeking new solutions. The ability to identify paths for change and action (Schofield, 2007) will require individuals to think outside the box and be creative. Williams (2002) also highlights the need for creative skills, in particular if individuals are required to work within collaborative environments. ICLEI (2004) suggest that creative people within and outside government are key to answering new challenges and that success in implementing sustainable development is dependent on innovation. There needs to be a climate of self-confidence so that new ideas are not perceived as threatening the usual way of doing things. This is supported by Evans *et al.* (2005) who identified the need to encourage creativity and innovation in policy-

making, and for new ideas to be welcomed and seen as exciting alternatives rather than being seen as threatening the usual way of doing things.

Above all, the participants in the process of implementing sustainable development need to be 'learners and knowers' (Hague *et al.* 2006:15). They need to be able to seek out information, to question assumptions, and to share learnings. They also need to be patient and understand that collaborative processes often take longer than processes involving single professions, departments, organisations or sectors.

New terms are emerging to describe individuals who have the capacity to play an active role in progressing sustainable development. In the New Zealand context, Larner and Craig (2005) support the strengthening of soft skills and argue for the emerging role of the 'strategic broker'. They suggest that these strategic brokers advocate more relational forms of practice. They require technical and sectoral expertise, knowledge of government and community networks, and spend a great deal of time building and maintaining relationships. In particular the value of an individual who can work across boundaries and engage multiple partners is being increasingly recognised (Larner and Craig, 2005). Of importance to this discussion is that the strategic broker's expertise is tailored to support and guide good process. More specifically, these individuals can facilitate, mediate and negotiate, and nurture networks.

Williams (2002) describes a similar role in his discussion on the role of policy entrepreneurs. Policy entrepreneurs have similar competencies to strategic brokers in that they support practitioners to operate across professional, organisational, jurisdictional and inter-generational boundaries and to engage in collaborative

working. These competencies include developing and maintaining personal relationships; working in non-hierarchal situations; influencing, negotiating and brokering; understanding and managing complexity; and creative skills (Williams, 2002).

The findings from the literature presented above suggest that in order to progress sustainable development and overcome the institutional hurdles to change, a focus on the institutional context, the processes that support organisations and individuals working together, and the attributes of participants, are all essential. The elements presented in this Chapter will be integrated with the theoretical insights presented in Chapter Three to develop the conceptual frameworks for institutional capacity and institutional change, and the subsequent institutional design principles, all of which are tested and refined using the case study presented in Chapters Four, Five and Six.

As was suggested by Low (2005) and van Bueren and ten Heuvelhof (2005), an important first step in this process is to understand the existing institutional context. To this end, the remainder of this Chapter presents the institutional context through which sustainable development is being progressed in New Zealand, including hurdles and responses.

2.4 The Institutional Context for Advancing Sustainable Development in New Zealand

In providing some of the institutional context through which sustainable development is progressed as a public policy goal in New Zealand it is important to understand how the concept has been incorporated into policy since the early 1990s, as well as the relationship between the policy reforms and the economic and public sector reforms that have occurred since 1984.

The New Zealand Government was an early adopter of sustainability principles. When the Government introduced the Resource Management Act (RMA) in 1991, it was seen as being a leader in enacting sustainability as a policy directive (Freeman, 2004; Skelton and Memon, 2002). The RMA provided a statutory framework for a more holistic and integrated approach to environmental planning based on ecological and democratic principles (Memon and Perkins, 2000). However, in shaping the RMA, Parliament took a narrow focus in its interpretation of sustainable development, instead focusing on the promotion of sustainable management of natural and physical resources. Miller (2006) contends that this constrained concept of sustainable management excluded the social and economic aspects of planning and development. Others, such as the Parliamentary Commissioner for the Environment[2] (PCE, 1998) suggest that it was the interpretation of the RMA by practitioners that saw the focus of policies and plans prepared under the RMA taking a mainly ecological focus on sustainable management:

[2] The Office of the Parliamentary Commissioner for the Environment was set up under the Environment Act 1986. The Commissioner's job is to hold the Government to account for its environmental policies and actions. The PCE is an independent Officer of Parliament, with wide-ranging powers to investigate environmental concerns.

The approach to promoting sustainable management being developed in New Zealand is reactive, based mostly on the management of environmental effects rather than on setting environmental performance targets and articulating visions to improve the nature and efficiency of resource use in line with sustainable development.

The author of the report (PCE, 1998) concluded that New Zealand was not doing enough to progress sustainable development and could no longer rely on the RMA as the primary vehicle to advance sustainable development as a public policy goal.

Running in parallel with the environmental administration reforms that led to the enactment of the RMA in 1991, were wider economic, public sector and administrative reforms at central, regional and local levels (Aberbach and Christensen, 2001; Ericksen *et al.*, 2003; Memon and Perkins, 2000). The reforms in the 1980s and 1990s by centre-right Labour and National governments radically changed the government landscape (Thomas, and Memon, 2007) with the ideology of neo-liberalism and managerialism emphasizing reduced spending, down-sized bureaucracy and increased efficiency (Buhrs, 2003; Ericksen, *et al.*, 2003).

Following the 1999 election of the centre-left Labour-Alliance coalition into government, there was a shift in ideology, with the embodiment of the 'Third Way', characterized by collaboration between central and local government and communities (Buhrs, 2003; Cheyne, 2008; Thomas and Memon, 2007). Central government then began to explicitly promote sustainable development, with an ideological commitment to a managed economy and a greater interest in environmental sustainability (Cheyne, 2006). The review and enactment of the Local Government Act in 2002 signaled a significant shift in government policy discourse towards a strong central-local government partnership (Frame and Taylor, 2005) and

the strengthening of local government with broad empowerment for the specific purpose of sustainable development (Cheyne, 2008).

The purpose of the remainder of this section is two-fold. First, to identity the institutional impediments to progressing sustainable development in New Zealand; secondly; and second, to explore how issues of capacity building have been expressed and progressed.

2.4.1 The Institutional Impediments in New Zealand

In the ten years following the enactment of the RMA increasing attention was placed on the extent to which New Zealand had effectively implemented the RMA and made progress with embracing the broader concept of sustainable development. The criticisms regarding lack of progress largely centre around the deficit between policy-making and policy implementation (Ericksen *et al.*, 2003; Freeman, 2004; PCE, 1998). Of particular concern was the lack of guidance or resources to effectively interpret and implement the requirements of the legislation, and the lack of focus on building capacity to support the implementation of sustainable management through the RMA (PCE, 1998).

The increasing interest in the promotion of sustainable development in New Zealand led to the gathering of a collective of people – who referred to themselves as Sustainable New Zealand - interested in progressing sustainable development in early 2000. Their first commission was an overview of sustainable development internationally, a review of New Zealand's progress with implementing sustainable development and an identification of gaps and barriers to advancing sustainable

development.   The resulting report suggested that commitment to sustainable development in New Zealand is variable, progress is disjointed and rhetoric is often not followed up by action (PRISM and Knight, 2000). This view was supported by Freeman (2004) who suggests that New Zealand's sustainable development trajectory in the 1990s and early 2000s has been long on sustainability rhetoric but short on practice.   PRISM and Knight (2000) noted that the lack of central government leadership, lack of inter-institutional relationships and lack of encouragement for cooperative work across organisational boundaries were preventing New Zealand from moving in a more integrated manner towards a sustainable future.

Shortly after the release of the PRISM and Knight (2000) report, the PCE began an investigation to review progress with sustainable development in New Zealand since the Earth Summit in 1992. The resulting report (PCE, 2002) identified a number of barriers including; difficulty in understanding the concept of sustainable development; the lack of knowledge and capacity to support the implementation of sustainable development; and the lack of accessible information that can be used by communities to facilitate debate and understanding on sustainable development issues. The PCE's recommendations to these issues was to suggest that service delivery needed to be integrated across multiple agencies in Government, there needed to be capacity within central and local government and within research institutes to make links between the dimensions of sustainability and a combined effort led by champions of sustainable development was needed to make real progress (PCE, 2002).

Ericksen *et al.* (2003), reporting on their work on evaluating the implementation of the RMA, noted that the reforms of the 1980's that set up the governance structures to

implement the RMA, and the focus of the early 1990s on reducing spending, down-sizing bureaucracy and increasing efficiency, meant that many councils separated policy and planning from regulatory and/or service delivery functions in the hopes of improving efficiency and accountability. This in effect led to the separation of functions with little encouragement or support for integrating functions (*ibid*).

The challenges identified through the work of Freeman (2004), Ericksen *et al.* (2003), PRISM and Knight (2002), and PCE (1998 and 2002) are consistent with those identified internationally in progressing sustainable development. Many of the challenges are institutional in nature and suggest the need for more attention to be paid to the issues of capacity building, institutional arrangements and governance mechanisms.

New Zealand has, however, made some changes at the legislative level to progress sustainable development. The concerns expressed about the narrow focus of the RMA on sustainable management were addressed in part through changes to the Local Government Act (LGA) that was enacted in 2002. The LGA requires local government to act on behalf of individuals and their communities and promoting their social, cultural, economic and environmental wellbeing, now and for the future (New Zealand Government, 2002a). The LGA takes a sustainable development approach and represents a change in mandate for local government, particularly in the need for councils to be much more responsive to the views of their communities (Dixon, 2005). By placing sustainable development as a purpose for local government, there is a legislative mechanism for issues to be addressed in an integrated way.

As well as embracing sustainable development, the LGA signified a shift towards new forms of governance. Memon and Thomas (2007) define governance as being the

formal and informal ways in which individuals and institutions, in both the public and private sectors, collectively manage their common affairs. While the LGA sends all the right signals in terms of embracing sustainable development and introducing governance as a way of implementing it, there is a suggestion that unless capacity building issues are addressed then the implementation of the LGA might face similar challenges to the implementation of the RMA (Ericksen *et al.*, 2003). Memon and Thomas (2007) raised concerns that unless central government considers in detail how to fund the mandate that is has devolved to local government, then implementation is likely to be jeopardised.

The review of the LGA was one of the projects initiated by the New Zealand Government in response to the need to report on their progress with implementing sustainable development at the Johannesburg World Summit on Sustainable Development in 2002. The summit provided a catalyst for the New Zealand Government to focus attention on sustainable development issues in New Zealand (Freeman, 2004). This in part led to the release of the New Zealand Government's Sustainable Development for New Zealand Programme of Action (SDPoA) in 2003. This document reinforced the WCED definition of sustainable development and set out how the Government intended to implement sustainable development. The intended result from the SDPoA was that sustainable development would be considered the "normal way of doing business" (DPMC, 2003, p 11).

A key focus of the SDPoA is overcoming the challenges of implementing sustainable development through its partnership, collaboration and learning together focus (DPMC, 2003). It signaled a commitment to exploring better ways of working together and the establishment of governance arrangements that could support the

move towards sustainable development. There were a number of pilot projects initiated as part of the SDPoA, one of these being the Auckland Sustainable Cities Programme (ASCP). This is discussed in more detail in Chapter Four, as it provides the case study through which the conceptual frameworks and the design process developed through this thesis are tested and refined.

2.4.2 Issues of Capacity: An Exploration of the New Zealand Context

A content analysis method was used to examine key documents to determine and describe the extent to which capacity issues were identified and discussed in the context of progressing sustainable development in New Zealand. Bouma (1996) suggested that this form of analysis, when it is applied in a qualitative sense, achieves an understanding of what was going on in a particular time and place. The documents analysed range from central and local government publications, cabinet papers, independent analyses of progress with sustainable development, academic articles and books. A literature review revealed the majority of sources for this content analysis, as did a report commissioned by the Department of Prime Minister and Cabinet in 2005 in which they sought to gather all the publicly available documents that informed the development of the Sustainable Development Programme of Action (Brignall-Theyer *et al.,* 2005).

As discussed in Section 2.4.1, the institutional impediments to progressing sustainable development in New Zealand do not differ from those experienced in other countries. Of particular relevance to this thesis is the notion that capacity building can contribute to overcoming the impediments and advancing sustainable development. The review of the literature did reveal some discussion on capacity building, although this was

generally limited to the highlighting of the need for it, with no elaboration of what that might entail. The key discussions on capacity building in the New Zealand literature are summarised below and are presented using the pathways, processes and participants themes used to present the responses in Section 2.3.

In relation to pathways, PRISM and Knight (2000) suggested that rather than dictating possible structures it would be more useful to establish success factors that relate to processes and reinforce the themes of *"the importance of participatory processes, building on existing initiatives, and capacity building"* (PRISM and Knight, 2000:87). They considered these factors as being key to any structural response to progressing sustainable development.

The research undertaken as part of the Planning Under a Co-operative Mandate (PUCM) research programme on examining the quality of plans produced under the RMA, and reported in Ericksen *et al.* (2001), identified that local institutional arrangements had a significant influence on planning. In commenting on arrangements between agencies the authors stated that (Ericksen *et al.*, 2001:19):

> *…arrangements that foster well-organised agencies enhance communication, help provide a common set of facts to decision makers, reduce the likelihood for conflict and duplication of efforts, and lessens chances of mistrust and misunderstanding among local agencies, stakeholders groups and citizens. These activities are important contributors to how well local governments are able to proactively foster innovation and change through planning…*

As was discussed earlier, the reformed LGA does takes a 'sustainable development approach' and represents a change in mandate for local government, particularly in the need for councils to be much more responsive to the views of their communities

(Dixon, 2005). However unless capacity building issues are addressed then the implementation of the LGA faces similar challenges to the implementation of the RMA (Ericksen *et al.*, 2003). In addition to the legislation, the PCE (1998) suggested that there needs to be consideration to drawing on a range of other instruments as well including economic instruments, regulation, voluntary agreements, and education.

The need for a national strategy for sustainable development was discussed by some authors including the PCE (2002:126) who commented that to make sustainable development:

> *...meaningful and generally acceptable in the New Zealand context, sustainable development has to be supported by a strong vision and clear goals established through effective consultation processes. Sustainable development needs to be relevant to, and demonstrate benefits for, all sectors of New Zealand society as well as the ecosystems that we rely on and value...*

While the government released the Sustainable Development Programme of Action for New Zealand in 2002, it did not constitute a strategy as such. Rather it set out some principles that would guide policy and decision making. It was not developed through a participatory process, establishing clear visions and goals for New Zealand, and with a clear plan for implementing sustainable development through collective action. The need for a national strategy was also supported by McGuinness (2005), Sustainable Aotearoa New Zealand (2006), and Bosselmann (2006).

In terms of processes, ways of overcoming 'silo' thinking within both local and central government agencies emerged from a number of documents including PCE (1998), PRISM and Knight (2000), PCE (2002), and Borrie *et al.* (2004). PRISM and Knight (2000:74) suggested that:

...organisations that are cross-disciplinary, open and adaptive; encourage diversity and experimentation; relish problem solving; and create an environment for continuous learning, are more likely to take and create opportunities to bring about significant change...

Ericksen *et al.* (2001:48) also suggested ways in which to improve cross-organisational coordination when they stated that:

...in order to foster ongoing dialogue between respective staff over issues of concern to environmental planning, councils should ensure that key sectors within their organisational structure that influence plan preparation and implementation have strong linkages...

This view was reinforced by the PCE (1998) who suggested that one of the problems with the RMA that need to be resolved is *"the lack of integration by regional and territorial authorities in implementing the RMA"* (PCE, 1998:5). PRISM and Knight (2000) also commented on the emergence of some good examples of local government and central government delivery agencies establishing good working relationships at a local level, but that there is potential for much more of this to happen (PRISM and Knight, 2000). In responding to the international community, the New Zealand Government acknowledged *"a major objective of sustainable development is to promote constructive interaction among all sectors. It recognises the interdependence of each on the others"* (New Zealand Government, 2002b:13).

The review of the public management system in New Zealand, discussed in the PCE (2002) report, recommended that government departments set up inter-agency teams to deal with cross-over operational matters. The PCE (2002) stated that this *"coordination and collaboration also needs to be encouraged for addressing matters of national strategic importance for New Zealand, including sustainable*

development" (PCE, 2002:130). One of the recommendations from the review of the public management system was to establish networks of related agencies to better integrate policy delivery and capability building (New Zealand Government, 2002b:42).

One of the principles for policy and decision-making set out in the SDPoA is *"working in partnership with local government and other sectors and encouraging transparent and participatory processes"* (DPMC, 2003:10). Yet this is the only principle from the SDPoA that supports the institutional capacity framework developed in this thesis. While there is mention of *"infusing this way of thinking into the public sector"* (*ibid*, 2003:10) and the *"need to invest in capability building to ensure that integrated policy development occurs across social, economic, environmental and cultural spheres"* (*ibid*, 2003:10), these sentiments were not developed into principles. This suggests that an integrated approach to capacity building to progress sustainable development was not seen by the Government as an integral part of progressing sustainable development at the time the SDPoA was released.

The skills and knowledge required by participants involved in progressing sustainable development receives little attention in the literature. The analysis of the New Zealand literature suggests that acknowledgement is currently limited to primarily ensuring there are enough participants, rather than demonstrating any recognition of the requisite skills and knowledge for implementation.

An exception was the report prepared by the PCE (2002:131). It stated that for sustainable development to become the cornerstone for central and local government policy in New Zealand there needs to be:

> *...people with the capability of making the links between all three dimensions of sustainability. Among tertiary education establishments there needs to be thought given to the design of courses that offer the development of skills in the sorts of systems thinking and integrated analysis associated with sustainable development...*

In addition to the skills of systems thinking and integrated analysis, leadership skills were also identified as a need in the report. The PCE (2002:80) state that:

> *...strong leadership is required to make more progress with the implementation of sustainable development. Leadership is involved with the development of a vision, with communicating that vision, and motivating and inspiring people to follow that vision. Leadership is critical to dealing with the changes required by the implementation of sustainable development...*

The PCE report (2002) then went on to describe the characteristics required for leaders including the need to be encouraging and supportive rather than directive, providing inspiration and empowerment, encouraging capacities to innovate and take risks, being cheerleaders, catalysts for change, and keepers of sustainable development values. What is less clear from the document is just how these individuals might be identified, developed and supported.

Statistics New Zealand (2002), while acknowledging that skilled and knowledgeable people are needed to progress sustainable development, did not identify the type of skills and knowledge that might be required. The authors of this report state that "*human capital is built through learning and experience throughout life, as well as*

through formal education" (*ibid*, 2002:57). While not providing specific guidance on specific skills and knowledge, the authors do recognise that both informal and formal processes contribute to the building of capacity of individuals.

The review of the New Zealand literature above suggests that there an absence of some critical dimensions identified and discussed earlier in this Chapter. These include focus on capacity building, integration and coordination within and between agencies, mechanisms to support sustainable development, resourcing to support implementation, leadership to drive institutional change for sustainable development, a strong vision and clear goal at a national level, understanding on processes that could aid central and local government to integrate and collaborate more effectively; and clear pathways to guide local government and central government in the implementation of sustainable development. It is the intention of this thesis to develop some conceptual frameworks for institutional capacity and institutional change to convey the nature of institutional change and the contribution of institutional capacity, and also to set these conceptual frameworks within a design process developed specifically to support multi-agency public sector sustainable development initiatives.

The focus of this Chapter has been on identification of the institutional impediments to progressing sustainable development and exploration of efforts to overcome the impediments. Grouped under the three themes of pathways, processes and participants, the responses to the institutional challenges broadly address institutional arrangements and governance, integration and collaboration, and the skills, knowledge and attributes of individual who are involved in progressing sustainable

development. When the focus shifted to the institutional context in New Zealand it became clear that whilst there was some discussion around pathways, processes and participants, it was limited in its scope and depth. There remains a gap in moving on from the rhetoric of sustainable development. The empirical material presented in this Chapter will be integrated with the theoretical perspectives presented in the next Chapter, in order to develop the conceptual frameworks for institutional capacity and institutional change, which will then be tested and refined using a case study in Chapters Four, Five and Six. The material in this Chapter will also be drawn on in the development of principles of institutional design and the integration of these and the conceptual frameworks into a design process in Chapter Seven.

Chapter Three

Changing the Institutional Landscape Using Capacity Building

3.1 Introduction

> All collective efforts are mediated through institutions, and without institutional change we will not move purposefully toward sustainability
>
> (Dovers, 2001:1)

The challenges in advancing sustainable development, as discussed in Chapter Two, are largely institutional in nature. The call for more consideration, and a deeper understanding, of institutional change to progress sustainable development is coming from a number of authors, including Brown (2004), Connor and Dovers (2004), Fleming (2003), Holland (2003), Low (2005), Low and Imran (2003), Lowndes (2001), and Wakely (1997). The purpose of this Chapter is to explain the usefulness of new institutionalism as a theoretical lens through which to understand institutional change, in particular its application to the issue of progressing sustainable development. Attention is then focused on the contribution of capacity building to changing the institutional landscape. This includes a review of the theory and practice of capacity building, including how it is being applied to driving change for sustainable development. The Chapter concludes by drawing together the empirical

material from Chapter Two and the material presented in this Chapter to propose two conceptual frameworks through which to convey the concepts of institutional capacity and institutional change. These conceptual frameworks will be tested and refined in phase one of the case study (details on the two-phase methodology are presented in Chapter Four). The material from this Chapter and Chapter Two will also be drawn on later in this research to inform the development of institutional design principles and the embedding of these, and the conceptual frameworks, within a design process.

3.2   New institutionalism: Exploring the theory

The organization of political life makes a difference

March and Olsen (1984:747)

In their seminal article published in 1984, March and Olsen suggested that informal conventions as well as formal rules and structures have a role to play in political life. This theoretical perspective was given the term 'new institutionalism'. Institutions, under old institutionalism thinking, used to be regarded as the simple aggregation of individuals' actions with little consideration of the impact of social, economic and political behaviour. However, new institutionalists, as they became known, were interested in informal conventions as well as formal rules and structures (Lowndes, 2001). In this way they moved beyond looking at what individuals do, what gets done and its material consequences, to focusing on interactions, relations and networks (Healey *et al.*, 2002). While the people in an organisation matter it is often the institutional context that can explain what it takes to change practice. The definition

of institutions, from a new institutionalist perspective, coined by March and Olsen (1989:22) incorporates:

> *...the routines, procedures, convention, roles, strategies, organizational forms, and technologies around which political activity is constructed. We also mean the beliefs, paradigms, codes, cultures, and knowledge that surround, support, elaborate, and contradict those roles and routines...*

This definition encompasses both formal (routines, procedures, etc) and informal elements (beliefs, codes, etc). This more expansive view of institutions was considered critical in understanding structure and constraint in urban politics, particularly with the emergence of new arrangements for urban governance (Lowndes, 2001). An institution in this way is a routinised set of working practices and everyday organisational activities with norms and values (Rydin, 2003). This concept is distinct from the organisational arrangements within which actors have to operate. As an example, Rydin (2003) explains that local authorities are organisations, structured into departments, committees, or other units but that these organisational structures do not determine working practices. Any actor working in a local authority will find themselves subject to the prevailing norms or working practice where these norms represent institutions.

Dovers (2005) explains that while institutions are persistent, predictable arrangements, laws, processes or customs serving to structure political, social, cultural or economic transformations and relationships in a society, they are also constantly evolving. This evolutionary nature of institutions supports Low's (2004) notion of an institutional landscape, as discussed in Chapter One.

New institutionalism does not constitute one unified body of thought (Teitz, 2007). Hall and Taylor (1996) identified three different analytical approaches that have developed – historical institutionalism, rational choice institutionalism, and sociological institutionalism. According to Scott (2001), while there are important differences among the various approaches, the main one of these centres on which institutional elements are given priority. Rather than review the merits of the varying approaches, Scott (1995, 2001) integrated them into a framework where each is considered a vital element of institutions. The three mutually dependent dimensions of institutions, as proposed by Scott (1995) that enable and/or constrain an institutionalised practice are regulative systems, normative systems and cultural-cognitive systems.

What differentiates each system is the element of institutions that is given prominence. Regulative systems give prominence to explicit regulatory processes such as rule-setting and monitoring (Scott, 2001). This aspect of new institutionalism, as embraced by North (1990), explains how implementation is organised around what are considered appropriate ways, reflecting 'best practice thinking' for pursuing dominant social values (Scott, 1995). Normative systems, as favoured by March and Olsen (1989), include both norms and values and represents the dominant shared values of the practice and are typically viewed as imposing constraints on social behaviour (Scott, 1995). Cultural-cognitive systems, favoured by anthropologists and sociologists, represent the dominant shared meaning and purpose of what is trying to be institutionalised. It explains the knowledge frameworks that shape the problem definition and corresponding action (Scott, 1995).

Colebatch (2006) describes three basic elements of institutions as, what people know (cognitive), what they value (normative), and how they are organised (regulative). He also suggests that the dimensions interact with each other such that what people know is related to their organisational position, their organisational position affects the way they value things, and their values have an impact on the knowledge they acquire (Colebatch, 2006).

Peters (1999:150), in his consideration of the various interpretations of new institutionalism, concludes that in all the approaches:

> *...something about institutions – their values, their rules, their incentives, or the pattern of interactions of the individuals within them – explains the decisions governments make. Individuals remain as important actors in most of these theories, but there is substantially more leverage to be gained through understanding the institutional frameworks within which they operate.*

A question that often occupies institutionalists is the extent to which institutions structure the action and behaviour of actors (van Bueren and Priemus, 2002). Lowndes (2001) suggests that increasingly attention is being focused on the problems of co-ordination or governance within a fragmented organisational landscape. There is growing importance being placed on the value of multi-actor networks to deal with complex issues, such as sustainable development. These networks are seen as more informal elements of institutions (ibid, 2001) and indicate that weak ties can be as important as the formal elements of institutions.

3.3   Applying a New Institutionalist Perspective to Understanding Institutional Change

With the emergence of multi-actor and multi-agency arrangements to deal with the complexity of implementing sustainable development, a number of authors have been utilizing the concepts of new institutionalism in an attempt to better understand how to implement more sustainable policies and practices, including Brown, 2004; Brown, 2005; Colebatch, 2006; van Bueren and Priemus, 2002; Connor and Dovers, 2002; Connor and Dovers, 2004; Dovers, 2001; and Dovers, 2005. Brown (2004; 2005) draws on an institutional perspective towards understanding impediments and develop appropriate institutional responses to advancing Water Sensitive Urban Design[3] (WSUD). Colebatch (2006) also utilises an institutional perspective to look at how to better manage water for the future. van Bueren and Priemus (2002), in their work on sustainable construction, look at the extent to which institutional factors impede the uptake of sustainable construction.   Dovers (2001, 2005) and Connor and Dovers (2002, 2004) use an institutional perspective to develop a policy process that is supportive of sustainability and to understand institutional arrangements to progress the implementation of sustainable development.   Edelenbos (2005) used an institutional approach to explore the implications of the shift from government to governance to support the implementation of sustainable development.

Brown (2005a; 2004), in her study of the practice of WSUD amongst local government and others, showed that the impediments to implementing sustainable

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[3] Water Sensitive Urban Design is the integration of water cycle management into urban planning and design. It seeks to protect natural systems from the impact of urbanisation and to integrate stormwater management systems into the landscape.

urban water management practices were largely as a result of institutional inertia towards doing things differently. This inertia was characterised by institutional fragmentation, undefined organisational responsibilities, limited political incentives and disincentives, poor organisational commitment, technological path dependency and lack of knowledge in facilitating integrated management approaches.

In applying Scott's (1995) three mutually dependent dimensions of institutions (cognitive, normative and regulative), Brown (2005a) analysed three urban stormwater management discourses that had emerged over time – stormwater quantity, stormwater quality and stormwater sustainability. She concluded that institutionalisation of both the stormwater quality and stormwater sustainability discourses has been significant from a cognitive and normative perspective. However, there had been little change from a regulative perspective. Brown (2005a) suggested that the stormwater quantity discourse is embedded into the administrative context, making this the fundamental source of inertia. This application of new institutionalism demonstrates the value of understanding the institutional context in which new ideas and concepts need to be introduced.

Colebatch (2006) considered the challenges of existing institutionalised practices in progressing water recycling initiatives. Drawing on Scott's (1995) three dimensions of institutions discussed above Colebatch (2006) analysed the institutional framework for urban water management for Australia for most of the 20th century. It included the dominant industrial perspective of traditional urban water management (cognitive dimension), organisational frameworks in which technical experts have a dominant place (regulative dimension) and a value-set that stresses the expansion of human

settlement, the exploitation of natural resources and the respect for judgement of technical experts (normative dimension). Colebatch then reflected on the challenges on each of the dimensions of this institutional framework in recent years and suggested there is increasing value being placed on the environment (a shift in the normative), a focus on collective interaction in the policy process (a shift in the cognitive), and more attention being paid to the processes and interactions between individuals and organisations that shape practice rather than formal statements that might have been issued (a shift in the regulative). The contribution of this work is the awareness that, in order to change practice shifts need to occur in all three dimensions of institutions. As Colebatch stated (2006:26):

> *Making changes in one dimension (more information, or trying to build up consciousness, or creating a new organization) may have little impact unless it is linked to changes in the others. And the task is not to get it right so that further change is not required, but to do it better: institutional change is always a work in progress.*

The view presented by Colebatch is reinforced by van Bueren and Priemus (2002) in their work looking at factors that hinder the uptake of sustainable construction practices in the Netherlands. By utilising an institutional perspective, they identified the institutions in the building and real estate sector and the manner in which these institutions influence the decisions of stakeholders to apply sustainable construction measures. Even though sustainable construction is an established policy issue, the uptake in practice was not great. They concluded that there needed to be improvements in the information channels in the sector to assist the various stakeholders to learn each other's language, make improvements in how the sector was structured and achieve a greening of the tax system through which external

environmental effects are internalized (van Bueren and Priemus, 2002). The proposals of van Bueren and Priemus recognises the need to focus of all three dimensions of institutions in order to shift practice and, in this example, improve the uptake of sustainable construction.

The work of Dovers (2001; 2005) and Connor and Dovers (2002: 2004) used an institutional approach to understand change to progress sustainable development and to determine what kind of arrangements emerge in response to the need for change. Taking the new institutionalism notion of institutions as the rules of the games, and organisations as the players of the game, Connor and Dovers (2002) define institutional arrangements as encompassing the notion of a system of decisions, rules and agreements that involves structural links between existing organisations, and possibly the creation of new organisations, for the implementation of policy. In effect, the institutional arrangements form the hard infrastructure of the system.

Dovers (2001) suggests that the nature of the implementation challenges for sustainable development means that institutions need to be persistent over time. Any efforts should be maintained over time and enable participants to learn from experience and be able to experiment. There is a need to not only seek information but to make any information they have widely available and it should be inclusive of a variety of interests, with the full range of stakeholders being involved in policy formulation and management. Dovers (2001) suggests that institutional arrangements currently do not yet display such characteristics sufficiently.

In accepting that institutional change is necessary to progress sustainable development, Dovers (2005) suggests that it should be structured around problem re-

framing and re-organising government. Problem re-framing is the formation of a shared and coherent social construction of the sustainability problem. And re-organizing government considers what is necessary to embed the organisational logic of sustainability in the landscape of public policy and organisations (Dovers, 2005). The principles associated with re-organising government, can be considered to lie across all three dimensions of institutions and include integration in policy and practice, subsidiarity and reiteration. Integration in policy and practice recognises that integration is crucial to the notion of sustainable development and requires purposeful and sustained development of policy processes and standards for it to occur. Subsidiarity refers to policy responsibility residing, and decisions being taken, at the most effective and appropriate level. Reiteration supports the contention that sustainability is a long-term social and policy project where there is uncertainty about both environmental and social conditions and efficacy of policy strategies, which requires reiteration of the problems and the response (Dovers, 2005).

Edelenbos (2005) used new institutionalism to explore the implications of the shift from government to governance in attempts to make progress with sustainability. From his work came the idea that, although many descriptions of institutions stress their long-term and stable character, there is also the possibility of short-term institutions called 'proto-institutions' (Edelenbos, 2005). Proto-institutions arise when a temporary process imposes a temporary institutional structure (methods, phases, rules, and roles for stakeholders) on top of or next to existing institutions. According to Edelenbos (2005) the implications of imposing an institutional temporary structure on an existing institutional framework is that either of the following might occur; institutional rigidity or institutional change. In the case of

institutional rigidity it is likely that the existing institution would dominate and do away with the new institution. In the case of institutional change, either the new institution would be absorbed by the existing one and they would exist side by side, or the new institution would fully replace the existing institution. As attempts are made to progress sustainable development it is important to consider the extent to which past efforts have resulted in institutional rigidity or institutional change.

In summary, Lowndes (2001) contends that a new institutionalist approach is valuable not only for understanding emerging multi-agency arrangements for urban governance but also provides powerful conceptual tools for analysing continuity and change. As shown in Chapter Two, the implementation of sustainable development requires a multi-agency approach, challenges entrenched policy paths and requires a change in practices, processes and skills. Change is a common theme amongst a number of commentators reflecting on urban governance, sustainable development and how we might more effectively plan for a sustainable future (Fleming, 2003; Holland, 2003; Low and Imran, 2003; Lowndes, 2001). To change the ways things are done in order to advance sustainable development necessitates a change to the 'rules of the game'. The Department of International Development (2003) in the United Kingdom acknowledges that changing the rules can be inherently difficult. They observe that changing informal rules can be more difficult and take more time than changing formal ones. In addition, Low and Imran (2003) suggest that new institutionalism provides insights into what changes entrenched policy paths and can provide a framework through which politicians, policymakers and others can determine what action to take to change policy paths to be more enabling of sustainable development.

3.3.1 The Conceptual Framework of Institutional Change for Sustainable Development

It is possible to draw on the work of all these authors to identify a framework to assist in understanding institutional change for sustainable development. The framework proposed in this section draws on the contention from Low *et al.* (2005) that there is an institutional landscape that needs to be reshaped in order to drive change for sustainability. Understanding the institutional landscape is crucial if institutional capacity building efforts are to be effective in progressing sustainable development.

The three dimensions of institutions proposed by Scott (1995, 2001) – normative, cognitive and regulative - provide a framework through which to view the institutional landscape. Each dimension is mutually dependent, with capacities needing to be built across all three dimensions to enable institutional change.

Normative Dimension

The normative dimension of institutions focuses on what people value. If progress is to be made in advancing sustainable development, people involved in initiatives require an appreciation that institutional change is necessary (Dovers, 2005) and understand what institutional change might encompass. It is important that individuals are future-oriented, employing techniques such as problem solving, and exploring ways in which individuals and organisations can interact, support one another and work together to progress sustainable development. Those individuals who participate in interventions need to value integrative and collaborative processes in pursuit of sustainable development. It needs to become the norm for organisations

to work together – multi-agency initiatives will be increasingly been seen as 'business as usual'. The collectivism of multi-agency initiatives needs to become normalised and accepted as part of best practice. What also needs to be recognised is the value individuals with the capacities identified through this thesis can bring to interventions (as discussed in the next section of this Chapter).

There is a strong connection between this dimension of institutional change and the individual capacity aspect of institutional capacity for progressing sustainable development (discussed in detail below). Building the range of capacities identified for individual capacity would support changes in the normative. In determining the current norms and values it is necessary to determine if there are dominant perspectives that shape the cognitive dimensions, if organisational frameworks give preference to a particular perspective and the values of those involved.

These new ways of working, as expressed through the cognitive dimension, need to become normalised through the individuals involved in the process.

Cognitive Dimension

The cognitive dimension of institutions focuses on how people and organisations work together. In terms of sustainable development, the cognitive is based on a shared understanding and purpose, and the ways in which individuals and organisations involved support collective and integrated processes. The cognitive dimension provides frameworks to shape the norms of those involved, seeking to make them accepting of new skills, knowledge and processes that support sustainable development, and to be able to value doing things differently.

In addition to the need for ongoing discourse around sustainability, the cognitive dimension of institutional change should support and encourage processes of collective action. The inter-organisational nature of the implementation challenge has been highlighted through this research so practitioners need to be given frameworks through which to shape solutions. The institutional capacity framework, presented later in this Chapter, has been designed for this reason – it allows individuals and organisations to grasp the big picture in terms of what will be required to progress sustainable development, and then to design appropriate interventions.

Another element of the cognitive dimension is the knowledge frameworks and processes to support collective action and legitimise the norms and values of the individuals involved in the process. At an individual level, participants in multi-agency initiatives are required to accept the need for institutional change and to explore way go support change to happen. Individuals are likely to be dis-empowered if the shared understanding and purpose at the cognitive level does not align with their individual values and norms.

The cognitive dimension is also important in terms of supporting the implementation of changes at the regulative level.

Regulative Dimension

The regulative dimension considers how people and organisations are organised. The regulative dimension is the most tangible and physical of all the dimensions. Not only is it about legal change but it is also about policy responses and organisational forms. The regulative is the way in which the organisational forms and governance mechanisms respond to and legitimise the processes developed in the cognitive

dimension and the values and norms expressed in the normative dimension. The new ways of working, as discussed in detail in this thesis, need to be legitimised through policy and practice as being a requirement. Organisational forms also contribute to supporting sustainable development, in particular horizontal and vertical integration. This integration will not only support the flow of information around an organisation, but will also be required to support individuals from across organisations collaborating on initiatives that cross disciplinary and organisational boundaries. Governance mechanisms need to be designed on the basis of driving shifts in the cognitive and normative dimensions of institutional change. And individuals with the attributes, skills and knowledge to progress sustainable development need to be recognised, nurtured, rewarded and valued through recruitment and retention practices of organisations.

The three dimensions – normative, cognitive and regulative – can be incorporated into a conceptual framework designed to convey the concept of institutional change for sustainable development (see Figure Two). The purpose of the framework is to illustrate the shifts that need to happen across all three dimensions of institutions in order to help reshape the institutional landscape to advance sustainable development. What the framework suggests is that core elements of any intervention[4] that specifically seeks to progress sustainable development should include a learning of each other's language and develop a shared understanding of what is trying to be achieved, the development of frameworks that support the outcomes being sought and

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[4] In this thesis, 'intervention' is used to refer to a programme that central and local government might use to progress sustainable development

the design of arrangements [regulative] that support the desirable values [normative] and the different ways of working [cognitive].

Figure Two   The Conceptual Framework of Institutional Change for Sustainable Development

Mutually reinforcing elements of institutions that collectively contribute to institutional change for sustainable development N + C + R = institutional change	
Normative *What we value	Knowledge resources*	The need for institutional change to progress sustainable development is normalised. Value is placed on integrative and collaborative processes. Value is placed on the skills and knowledge that support advancing sustainable development.
Cognitive *How we work	Relational resources*	Organisations and individuals are provided with frameworks that support integration, the development of partnerships, the formation and functioning of networks and collaborative processes, as the new ways of working in pursuit of sustainable development.
Regulative *How we are organised	Capacity to mobilise*	The new ways of working, such as collaboration, are legitimised through law and policy as being a requirement. Organisational forms allow for both horizontal and vertical integration. Individuals with the skills and knowledge to support sustainable development are given recognition through recruitment and retention practices of organisations.

The institutional change conceptual framework will be tested and refined using the case study presented in Chapters Four, Five and Six, and embedded in the process of design presented in Chapter Seven. The framework is also used to interpret the descriptive elements of the case study discussed in Chapter Four.

3.4 The Practice of Capacity Building

The focus of this Chapter so far has been on exploring the value of new institutionalism as a theory to understand the processes of institutional change. In accepting that institutional change is necessary to progress sustainable development, the three dimensions of institutions provide a broad conceptual framework with which to analyse institutional change. A specific focus for this research is the contribution of institutional capacity as a way of enabling institutional change for progressing sustainable development. As Fleming (2003) discusses, a focus on the sources of change is important, with this thesis contending that capacity is an important source of institutional change. It is the capacity of the institutional system – particularly central and local government - that is key to advancing institutional change for sustainable development.

The United Nations Development Programme (UNDP, 1997:10) define capacity as:

> *...the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably.*

Given that this thesis is directed toward developing frameworks for application in central and local government, institutional capacity is framed in terms of the identification of elements of capacity needed to support these sectors to implement

sustainable development. Institutional capacity embraces both the norms and values that guide practice, the interactional processes, the working practices, and institutional arrangements and structures.

The United Nations Development Programme (UNDP, 1997) developed guidelines to help governments and other national organisations assess and develop the capacities needed for the development and implementation of national developmental programmes. These guidelines (UNDP, 1997:10) state that:

> …*capacity is not a passive state but part of a continuing process…*

and

> …*capacity is defined in a systems context where a set of entities operate toward a common purpose and according to certain rules and processes*"

This view of capacity embraces the elements of an institutional approach by referring to "*rules as the norms, laws, standards and value systems which govern the inter-relationships amongst the entities in the system*" (UNDP, 1997:11). The UNDP developed a model which highlights that capacity needs to be analysed at three levels: individual, entity, and the broader system. The entity level consists of formal and informal organisations and their sub-organisational units. An analysis of the entity level would consider the following: strategic priorities, organisational structure and culture, organisational processes, human resources management, financial management and information management (UNDP, 1997:31). The organisational process aspects would also include consideration of inter-relationships. An analysis of the individual level of the system would consider the following: job requirements and skill levels; individual learning; inter-relationships and teamwork; communication

skills, access to information and personal and professional networking (UNDP, 1997:35). The broader system refers to the policy framework, the legal/regulatory environment, the accountability framework and the resources available within the system to develop and implement programmes (UNDP, 1997:25).

As the UNDP guidelines were being developed and released, capacity building was also being considered at the Second United Nations Conference on Human Settlements in 1996 (often referred to as Habitat II). Wakely (1997), who co-authored a background paper for Habitat II on capacity building, expresses similar views as the UNDP on the systems nature of capacity, and suggested that there needed to be a shift in thinking of capacity building as meaning simply training or human resource development. Individuals need more than their own capacities to contribute to the advancement of sustainable development; they also need a supportive institutional and organisational environment.

Wakely (1997) identified three aspects of capacity building that must be embraced in order to be effective in making changes to support better cities: human resource development, organisational development and institutional development. The Wakely model for capacity building is shown in Figure Three.

Human resource development is defined by Wakely (1997), and reinforced by Hague *et al.* (2006), as the process of equipping people with the understanding and skills, and the access to information and knowledge to perform effectively. Wakely (1997) and Kaplan (2000) suggest that too often this is where much of capacity building effort is focused, with little attention paid to the wider organisational and institutional context.

Organisational development, as described by Wakely (1997), incorporates the processes by which things get done collectively within an organisation. This includes how things get done and why things get done, and on the relationships between different organisations. In this way it constitutes both intra-organisational and inter-organisational development. Institutional development is defined by Wakely (1997) as the legal and regulatory changes that have to be made in order to enable organisations, institutions and agencies at all levels and in all sectors to enhance their capacities.

Figure Three   Elements of Institutional Capacity (adapted from Wakely, 1997)
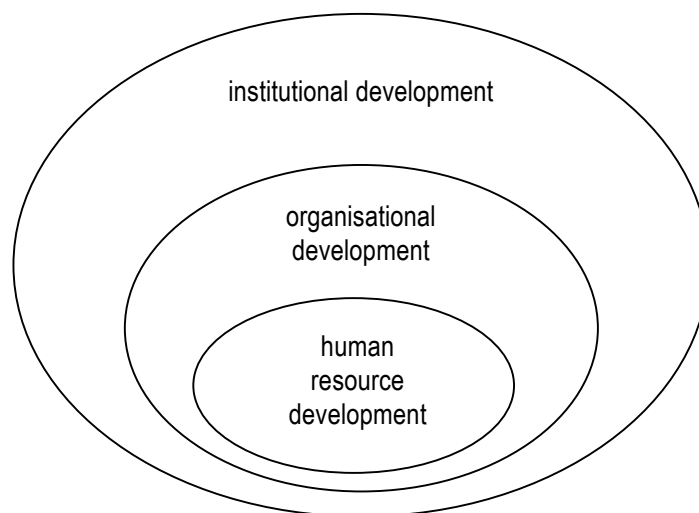
In a similar vein to the UNDP model, the Wakely model reinforces that the interaction between the spheres is critical and focusing on only one sphere will not lead to significant change in terms of capacity building efforts. Both Peltenburg *et al.* (1996) and the Department for International Development (2003) stress that capacity building

means little unless it is clear for what purpose the capacity is being built. Capacity building should be driven by a clear focus on the desired outcome, that is, what is trying to be achieved.

All of these models reinforce the concept that the institutional landscape is composed of both formal and informal elements and, as such, capacity building needs to support the elements identified by Wakely; human resource development, organisational development and institutional development.

3.4.1 A Focus on Capacities for Sustainable Development

According to Peltenburg *et al.* (2000), those involved in advancing sustainable development need to understand the specific capacities required across the three elements of human resource, organisational and institutional development, and to then establishing how to most effectively build the capacities. Healey *et al.* (2002:7-8) notes that:

> *many working in urban governments have experienced considerable shifts in the tasks they undertake, the policy agendas they are expected to realize, the policy discourses they use to justify their actions, the people and networks they relate to and the ways they are expected to go about their work.*

This view from Healey is supported by the empirical material presented in Chapter Two, where a range of new processes, skills and knowledge are emerging to overcome the institutional impediments to advancing sustainable development. The material presented in this section draws on the work of authors who have been looking more specifically at linking capacity building with the desire to progress sustainable development.

Innes and Booher (2003) reviewed 80 articles and book Chapters on building collaborative capacity. From this they identified four levels at which capacity needed to be built – individual capacity, organisational capacity, relational capacity and governance capacity. Both Wakely (1998) and Innes and Booher (2003) acknowledge that changes at all other levels are dependent on individual capacity. An individual with the ability to build institutional capacity can be characterised as having a better understanding of problems and opportunities, a better understanding of the perspectives of others who are involved, the ability to build and maintain personal and professional networks, the ability to provide leadership, and are able to assist others to develop their own capacity.

Organisational capacity, or organisational development as it is referred to by Wakely (1998), is focused on the building of capacities within an organisational structure. An organisation with capacity is one that collaborates in order to share skills and knowledge, is well networked internally with mutual trust and shared understandings among members, and allows for information to flow both up and down the hierarchy (Innes and Booher, 2003).

Kaplan (2000) in his consideration of organisational capacity identified elements of organisational capacity that support the building of institutional capacity. The elements are: organisational attitude; vision and strategy; organisational structure; acquisition of skills; and, material resources. Organisational attitude refers to individuals within the organisation having the confidence to act and know that they can collectively make a difference. Then comes the development of an organisational vision and strategy, and subsequent organisational structuring. The next element of

organisational capacity is the development and extension of individual skills, abilities and competencies. Finally, an organisation needs sufficient material resources such as finances, equipment and office space, with the physical layout of staff organised in ways that enhance rather than inhibit collective activity.

The third capacity identified by Innes and Booher (2003) is relational capacity and addresses the building of capacities across organisational structures. Wakely (1998) and Hague *et al.* (2006) included this form of capacity as being part of organisational capacity, but given that progressing sustainable development requires multi-organisational approaches, it is useful to consider the capacities needed to bridge the various organisations. Innes and Booher (2003) refer to relational capacity as collaborative efforts that cut across organisations, with the capacity lying in the relationships they create. The key attributes include sharing information and engaging in constructive dialogue rather than debate and argument, enabling well developed interactions among the participants, a shared understanding of the problems, recognition of shared interests, decisions based on knowledge of differing stakeholders, and a focus on learning (Innes and Booher, 2003).

The fourth capacity, governance capacity, is a way to encourage diverse voices and interests and make sure they are informed and empowered to play roles in governance. Governance capacity provides the environment in which individual capacity, organisational capacity and relational capacity can be developed. In a system with governance capacity, there would be a rich array of stakeholders, well networked relationships, and a distributed intelligence system where individual

stakeholders are able to act independently in way that will be beneficial to themselves and the system as a whole (Innes and Booher, 2003).

Supporting the multi-faceted nature of institutional capacity, a number of authors (including Brown, 2004; Kaplan, 2000; and Rudland *et al.*, 2004) have noted that, while strategies to develop human resource capacity are key steps towards the implementation of sustainable development, of equal or greater importance is the need to develop sufficient capacity within organisational contexts to create an 'enabling' institutional environment. In these environments, individuals are encouraged to explore and implement innovative alternatives to conventional approaches. Rudland *et al.* (2004:3) describes institutional capacity as involving a breadth of networks, inclusiveness and effectiveness of participatory input at all levels and openness of process.

Wenban-Smith (2002) also identified the sharing of knowledge, an understanding of values, trust and confidence, collaborative responses and a style of government that recognises and rewards joined-up thinking and collaborative efforts as being critical elements in the building of institutional capacity. However, he also noted some factors that could undermine efforts to build institutional capacity. These include a lack of investment in time and staff to build relationships internally and externally, of a strong base in community values and of investment in developing common information bases. In addition, Wenban-Smith (2002) considers a top-down style of government to have the potential to limit attempts to build institutional capacity. The concern with the style of government relate to the lack of connections across

departmental boundaries, and the allocation of funds on the basis of sectional and short-run outputs rather than strategic and cross-sectoral outcomes.

A common theme expressed by a number of authors (Wakely, 1997; UNDP, 1997; DFID, 2003 and Hague *et al.*, 2006) is that capacity building is an ongoing process. Wakely (1997) suggests that it is a continuous, flexible and responsive process rather than a one-off event. And Cars *et al.* (2002) stress that institutional capacity building needs to be appropriate to the situation and context and that it is not something that is fixed, but evolves through time. The institutional environment is always changing so capacity building needs to be viewed as an integral aspect of policy and programme development and implementation, and needs to be assessed and reviewed on a regular basis.

> Sustained capacity building needs to be built on consistent and complementary interventions at all levels
>
> (DFID, 2003:v)

New capacities are needed to enable institutional change, with the issue of capacity building being key to securing long-term change to progress sustainable development (de Magalhaes, 2004). The integrated nature of sustainable development requires new capacities within the governance machinery to achieve specific priorities and targets under a common umbrella (OECD, 2002b). It is important to acknowledge that the development of the required capacities is a difficult process, demanding major efforts over extended periods of time (Peltenburg *et al.,* 2000). Quick and tangible results are difficult to achieve and 'short-termism' is often problematic for capacity building.

3.4.2   The Contribution of Collaboration in Building Capacity

In the late 1990s, Healey (1997, 1998) was writing about the notion that collaboration is the basis for the design of processes for building institutional capacity to support sustainable development.   She describes institutional capacity as being comprised of three dimensions; knowledge resources, relational resources and the capacity for mobilisation.   These dimensions support the view of Scott (1995, 2001), discussed previously, that institutions are comprised of normative, cognitive and regulative dimensions.   The cognitive dimension of institutions is based on shared understanding and knowledge frameworks and supports Healey's knowledge resources dimension and the need for ongoing discourse between individuals involved in progressing sustainable development.   The normative dimension of institutions is based on the building of shared values and action that is similar to Healey's notion of relational resources in that many of the actions required to progress sustainable development are based on individuals and organisations working together.   The regulative dimension of institutions, as identified by Scott, provides the capacity to organise practice and mobilise action, in common with Healey's capacity for mobilisation.

The idea that collaborative approaches help to build institutional capacity, as well as being a product of capacity building in itself, have been championed by Healey (1997; 1998) and supported by the work of a number of other authors, including Innes and Booher (2003), Cars *et al.* (2002), Gualini (2002), Wenban-Smith (2002) and Kaplan (2000).   Collaboration in this context is seen as a way to break through professional, departmental, organisational and institutional boundaries.   Collaboration is the basis

for the design of processes for building institutional capacity for knowledgeable and trusted strategy-making in a 'shared-power' world (Healey, 1997).

Sustainable development is an issue that spans professions, departments, organisations, and institutions, and as such is the subject of collaborative research. In the late 1990s; Healey (1997, 1998) was writing about the notion that collaboration is the basis for the design of processes for building institutional capacity to support sustainable development. She argued that there are five key aspects of building of collaborative relationships. The first is the need to develop an integrative imagination that involves figuring out who to talk to, how to talk, how to manage group activities and how to assess success and failure. This integrative imagination is particularly useful in the context of sustainable development because it requires integration of social, economic, environmental and cultural agendas.

The second is that collaboration is just as important during the process of making policy as it is in delivering projects. If progress is to be made with transforming ways of thinking and mindsets then collaboration needs to be part of policy making (Healey, 1998). This also helps address the significant potential for disagreement when many stakeholders are involved in deciding on the purpose of specific projects because the focus shifts to collaborating on strategy (Healey, 1998) where the guiding principles can be agreed on that will then inform the projects.

The third aspect is the need to draw on stakeholders to enrich knowledge and develop interconnections between the dimensions of issues, problems and policies (Healey, ibid, 1998). Healey (1998) suggests that one of the main reasons for widening involvement in the processes of policy development and delivery is that public

officials and professionals lack sufficient knowledge about the quality of places, about problems and their potential solutions and about how to make policies work effectively. People living in an area or who are involved in local activities, such as local businesses or community groups, have a knowledge built up through their day-to-day experience.

The fourth aspect is recognising the multiple forms of local knowledge and knowing and the need to enable interaction that reflects differences in ways of thinking and valuing, and ways of communicating (Healey, ibid). The final aspect is finding contexts in which different stakeholders can find their voice and listen to each other (Healey, ibid). These five concepts informed her description of institutional capacity, presented above, as being comprised of dimensions – knowledge resources, relational resources and the capacity for mobilisation.

Capacity building encompasses both the tangible and intangible, with Innes and Booher (1999) suggesting that tangible outcomes are things that can easily pointed to and recognised, such as agreements, new regulations, proposals as well as strategies, actions and ideas that new to the context can break a stalemate or change the direction of policy. And intangible outcomes include the establishment of new or stronger professional relationships and the building of trust (Innes and Booher, ibid). In considering the building of institutional capacity it is important to always consider both the tangible and intangible, given that one of the characteristics of collaborative approaches is that they generally deliver both tangible and intangible outcomes.

Healey (1998) is of the view that planners can contribute to the building of institutional capacity and should be strong advocates for collaborative approaches.

Collaborative approaches help build capacity in a way that recognises that it is the nature of the 'game' itself which is as much the problem as the playing of it. Institutional capacity can be changed and moulded through the strategies and practices of public policy, suggesting that building up this capacity should itself be the target of public policy (Healey, 1997). Healey (1998) argues that a well integrated, well-connected and well informed policy culture can mobilize readily to capture opportunities, with collaborative approaches being key to effective and durable transformations. Another concept developed by Healey (2007) is the idea of 'institutional arenas'. Healey suggests that these arenas are the places to explore and test ideas. Building on the earlier work of Healey, as discussed above, these 'institutional arenas' could be where central and local government collaborate and experiment through programmes and projects to determine how to advance sustainable development together.

3.4.3 The Conceptual Framework of Institutional Capacity for Sustainable Development

As had been discussed above, institutional change is not possible without an understanding of institutional capacity, what capacities need to be built and the processes of building capacity. In Chapter Two, the dimensions of institutional change from the empirical literature were presented as pathways, processes and participants, with the identification of specific capacities in each of these dimensions. The empirical and the theoretical material are combined below in a proposed conceptual framework of institutional capacity for sustainable development.

The framework incorporates individual capacity, organisational capacity, relational capacity and enabling capacity as the four inter-related aspects of institutional capacity. Individual capacity is defined as the attributes, skills and knowledge required by participants involved in sustainable development initiatives. Organisational capacity is defined as the processes that support an organisation and the individuals within it to work together, and support the skills and knowledge of individual capacity. Relational capacity is defined as the processes that support and allow organisations to work together, and support both organisational and individual capacity. And enabling capacity is defined as the pathways that support the building of individual, organisational and relational capacity. The specific aspects of each capacity are presented in Table One.

In this Chapter both the theoretical and empirical literature have been drawn on in the development of proposed frameworks that will be tested and refined using the case study, the focus of the next three Chapters. The institutional change framework has been designed to assist in the understanding of the shifts that need to happen to progress sustainable development, and the institutional capacity framework has been designed to illustrate the capacities that need to be built in order to enable the necessary institutional change.

The institutional capacity conceptual framework will be tested and refined using the case study presented in Chapters Four, Five and Six, and then embedded in the process design presented in Chapter Seven.

Table One   The Conceptual Framework of Institutional Capacity for Sustainable Development

Institutional capacity requires the building of capacity across all four capacities to enable institutional change for sustainable development Institutional Capacity = I + O + R + E			
Individual capacity	*Organisational capacity*	*Relational capacity*	*Enabling capacity*
Skills and knowledge to be able to: • facilitate • resolve conflict • negotiate • communicate • manage projects • develop implementation strategies • develop + foster partnerships • work in a collaborative environment • be creative • identify paths for change + action • lead • experiment + learn • mobilize the collective wisdom of many individuals + organisations • understand various role + linkages of those involved in a collaborative effort • understanding of networks	Processes that enable: • vertical + horizontal integration within an organisation • building of trust + confidence across an organisation • development of partnerships within an organisation • changes in organisational culture • collaborative processes within an organisation • networks to function well within an organisation	Processes that enable: • vertical + horizontal integration between a number of organisations • building of trust + confidence between a number of organisations • development of partnerships between a number of organisations • changes in cross-organisational culture • collaborative processes between a number of organisations • networks to function well between a number of organisations	Legal + policy changes and institutional arrangements that: • support integrative + collective processes within and between organisations • recognise + support individuals with the skills + knowledge to participate in sustainable development initiatives

3.5   Connecting the Concepts of Capacity and Change

The contention presented earlier in this Chapter is that institutional capacity is an enabler of institutional change.   To this end, it is possible to connect the two conceptual frameworks in a matrix to illustrate the contribution of each element of institutional capacity to making the necessary shifts in each dimension of institutions.   This matrix, shown in Figure Four, will be used in later in this thesis to analysis the findings from the case study.

While this Chapter set out to integrate the empirical material, presented in Chapter Two, with the theoretical material presented in this Chapter, specifically to develop some conceptual frameworks for institutional capacity and institutional change, it is important to acknowledge that these concepts do sit within a broader context of an institutional arena.   As discussed earlier in this Chapter, Healey (2007) suggested the idea of an institutional arena as a place to explore and test ideas.   The multi-agency public sector sustainable development initiatives, one of which is used for the case study in this research, can be viewed as institutional arenas, and the conceptual frameworks inform these arenas.   Given that the intention of this thesis is to not only develop the conceptual frameworks as a way of conveying the concepts of capacity and change, but to then set these within a process for the design of multi-agency public sector sustainable development initiatives, it is important to start making connections between the material presented so far in this thesis.

Figure Four   Matrix of Institutional Capacity and Institutional Change for Sustainable Development

Dimensions of Institutional Change	Elements of Institutional Capacity Institutional Capacity = I + O + R + E			
	Individual	*Organisational*	*Relational*	*Enabling*
Normative *Knowledge resources*	The skills + knowledge identified in Table One contribute to the normative	The processes for within an organisation identified in Table One support the development of individual capacity + therefore contribute to the normative	To a lesser extent relational capacity contribute to knowledge resources in that it can expose participants to knowledge	
Cognitive *Relational resources*		The processes within organisations contribute to shifts in the way people + organisations work together. It assists in building up a culture of inter-agency working, with can translate into multi-agency working	Similarly, the processes between organisations contributes to shifts in the way people + organisations work together	The enabling environment has a role in that it provides the conditions to support the news ways of working
Regulative *Capacity to mobilise*			To some extent the relational capacity provides the processes to support the new ways in which organisations + people may be organised	Enabling capacity has the most impact on the regulative dimension, by providing the legal + policy changes and institutional arrangements to support the other capacities

Note: In the context of this thesis the building of institutional capacity and subsequent shifts in each dimension of institutions is connected to progressing sustainable development as a goal for public policy. For the purposes of this thesis, multi-agency public sector sustainable development initiatives are the institutional arena through which to test and explore ideas being developed through this thesis.
Key:

    This level of shading indicates a strong connection between the element of capacity and the dimension of institutional change

    This level of shading indicates some connection between the element of capacity and the dimension of institutional change

The research, both empirical and theoretical, presented in this and the preceding Chapters, has led to the development of two conceptual frameworks – institutional change and institutional capacity. The conceptual frameworks form the basis for the testing and refining against a case study, presented in the following four Chapters. The material from these earlier Chapters will also be drawn on in the development of the institutional design principles, which follows phase one of the case study, and in the development of a design process, which follows phase two of the case study (presented in Chapter Seven).

Chapter Four

A Case Study of Capacity and Change

4.1　Introduction

The Auckland Sustainable Cities Programme (ASCP) was initiated in response to the challenges facing Auckland in terms of achieving greater urban sustainability. It signalled a commitment by central government to explore better ways of working with local government to support a move towards sustainable development. A component of the ASCP was the Urban Form, Design and Development (UFDD) initiative. The UFDD initiative, which ran for three years from 2003, had a strong focus on challenging business as usual and sought to guide change towards more sustainable urban form, design and development in the Auckland region. As a case study, the UFDD initiative allows for both the opportunity to test the conceptual frameworks for institutional capacity and institutional change, and to then embed these into a process of design to inform future multi-agency initiatives.

This Chapter sets the context for the role of the case study in this research, introducing the case study itself and detailing the methodological approach used to conduct the research.

4.2 The Role of the Case Study

In taking the somewhat abstract concepts around institutional capacity and institutional change forward to an empirical application and testing (Davidson and Tolich, 2003), it was decided to incorporate a fieldwork component. At the time this research was undertaken (2006) there was an emergence of initiatives that focused on building a better working relationship between central and local government as an important step in the pursuit of sustainable development. Largely in response to the need to show that progress had been made since New Zealand signed the Rio Declaration in 1991 central government signalled, through the Sustainable Development Programme of Action for New Zealand (DPMC, 2003), that one of the ways forward with respect to progressing sustainable development was for central government and local government agencies to work together more on projects. Subsequently a number of multi-agency pilot programmes were initiated, one of which, the UFDD initiative, provided a useful case study through which to explore and describe the building of institutional capacity and its contribution to institutional change for sustainable development.

The purpose of using a case study to help answer the research question - *what constitutes institutional change in the context of progressing sustainable development and what institutional capacity needs to be built to support this institutional change?* – is to test and refine the research findings, particularly in relation to the conceptual frameworks developed in Chapter Three. The case study chosen for this purpose is an example of a multi-agency sustainable development initiative, set up with the intention of delivering institutional change, mainly through the process of agencies

working together on a common goal associated with advancing sustainable development.

4.2.1 The Case Study Methodology

A case study methodology utilising qualitative research methods was considered the most useful approach for this research, with a case study being considered by many authors to be a valid form of research and a useful form of data collection (Bouma, 1996; Davidson and Tolich, 2003; de Vaus, 1995; Sarantakos, 1993; Tolich and Davidson, 1999). Qualitative research describes the quality of the events under study rather than expressing research in numbers or percentages (Bouma, 1996). The theories, concepts and frameworks drawn on in this thesis require a focus on the quality of the interactions, understandings, processes and relationships to make sense of the complexity of progressing sustainable development.

According to Yin (1991:23), a case study is:

> *...an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used*.

The utilisation of case study was considered appropriate for this research for two main reasons. Firstly, as suggested by Sarantakos (1993), a case study is particularly useful when a researcher is interested in the structure, process and outcomes of a single unit. As discussed in more detail later in this Chapter, the UFDD initiative provided a relevant and timely case study for this research. Secondly, a case study can help to collect information and test and formulate hypotheses (Bouma, 1996; Sarantakos,

1993). As has already been discussed earlier in this thesis, the case study for this research is used as a way to test and refine the frameworks for institutional capacity and institutional change that have been developed and presented in Chapters Two and Three. Another important aspect of a case study is that it is valid to focus on one case (de Vaus, 1995) and that no comparison with another group needs to be made (Bouma, 1996). A single case study is utilised in this thesis.

According to Sarantakos (1993) case-study research has the aim of studying in an open and flexible manner social action in its natural setting as it takes place in interaction or communication and as interpreted by the respondents. This form of research methodology was considered relevant for this research where one of the primary data collection techniques was interviews' with key participants in the UFDD initiative, who would be questioned on their experiences and views of the structure, process and outcomes of the initiative. Details of the data collection are presented in Section 4.5.

It is recognised in choosing just one case study for this research, while considered a valid approach as discussed above, that this may be a limiting factor for this thesis. However opportunities such as that provided by the UFDD initiative do not come along often, so for this research it was considered justifiable to have a single case study. Another potential limitation for this research is the use of a pilot programme as the case study through which to explore issues of capacity and change and to test and refine the frameworks for institutional change and institutional capacity. A pilot is inherently limiting in that it is generally a 'one-off' exercise and the timeframes in which it operates are often short-term (i.e. two to three years). As a consequence it is

not possible to monitor the outcomes over a longer period. Another limitation is the stage at which participants in the pilot were interviewed for this research. Coming as they did towards the end of the programme, in essence the interviews were a moment in time snap shot of how participants were able to describe and interpret their experiences in the pilot and express issues of institutional change and institutional capacity. A longitudinal research approach may have been able to better record and analyse shifts in thinking and practice as it related to advancing the goals of the pilot.

4.3   The Case Study: Emerging Alliances to Progress Sustainable Development in Auckland

The Government's Sustainable Development Programme of Action (SDPoA) identified four issues that were deemed to be significant (DPMC, 2003:12) because they touched on:

> …*inter-generational effects on wellbeing, had persistent effects in the environment, and had significant impacts across the social, economic, environmental, and cultural spheres that are difficult to distangle.*

Cities were identified as being an important area to focus attention given that over 87 percent of New Zealanders live in towns and cities. The overarching goal for sustainable cities was "*our cities are healthy, safe and attractive places where business, social and cultural life can flourish*" (ibid, 2003:19) and it sought to achieve "*cities as centres of innovation and economic growth, and liveable cities that support social wellbeing, quality of life and cultural identities*" (ibid, 2003:19).

The intention of central government was to drive better integration across the public sector and to remove barriers (including statutory barriers and inadequate integration across ministerial portfolios) so progress could be made for sustainable development (ibid, 2003). The Government identified Auckland as an area of priority in terms of developing partnerships and facilitating innovation and competitiveness. The Auckland region is home to one third of New Zealand's population, and represents the bulk of the nation's economic activity. In focusing attention on Auckland, it was recognised that in acting alone, neither central nor local government would be able to address the complex and difficult issues facing the Auckland region (Dale *et al.*, 2004). From this the Auckland Sustainable Cities Programme (ASCP) was established and implemented.

The ASCP was a three-year partnership from 2003-2006 involving the region's seven local councils, the Auckland Regional Council and a number of government agencies. While the ASCP centred on building the relationship between central and local government, communities participated in many parts of the ASCP (Dale *et al.*, 2004). The collaboration was co-convened by Colin Dale, Chief Executive Officer for Manukau City Council and Alison Dalziel, Advisor in the Department of Prime Minister and Cabinet (ASCP, 2005). The partnership was led by the Sustainable Auckland Steering Group, comprising local government officials, and the Sustainable Cities Senior Officials Group, comprising central government officials (ASCP, 2005).

As well as the broad focus on building relationships and learning to work together, there were a number of other aspects that the ASCP sought to achieve. The first aspect was to try and disconnect the silo approach that operated between central and

local government. The second was to establish a whole of region/whole of government joint approach to support the collective action required to progress sustainable development. The third was to align budgets and resources between stakeholders, as this was considered to be a barrier to integration between the agencies involved. And the final aspect was to "*identify and work on a number of signature projects to ensure continuation of a joint approach and to provide a platform to share learning for all in the region*" (ASCP, 2005:1). The outcomes expressed in the early stages of the ASCP indicate that those involved understood the first step to driving institutional change for progressing sustainable development would be to develop a sound platform for collaboration between local and central government. It appears as though the intention was also to support sustained change beyond the life of the pilot, as indicated by the desire to capture the experiences of individuals and organisations involved so to inform the design of projects into the future.

The focus of the first year of the three-year ASCP programme was to identify and prioritise a list of potential projects for the region that could be worked on in partnership and then to negotiate a shortlist of signature projects (ASCP, 2005). Devoting the time necessary to find projects that would contribute towards progressing sustainable development in the Auckland region indicates an understanding that the processes of collaboration take time and investment at the beginning of a project provides a platform for the further development of relationships. The process of negotiating the whole-of-region to whole-of-government approach to defining issues and projects for Auckland was supported by the development of collaboration protocols.

The development of these protocols was based on the understanding that relationships and trust had to be built up to ensure ongoing collaboration and that members would benefit from some guidance on how to work together (Dale, Watkins and Taylor, 2004). The collaboration protocols dealt with issues such as the shared values and commitment expected from participants in the ASCP, the expectations of those in leadership roles, the process of decision-making, accountability and responsibility, how disputes would be handled and the process for communicating about the ASCP and the release of publications (ASCP, 2004). By agreeing to the collaboration protocols, participants committed to being the point of contact for their agency. This commitment included communicating to other staff in their organisations, raising issues with them and liaising with other people in their organisation, and to be champions of the ASCP within their own organisations (ASCP, 2004).

In terms of commitment the protocols also set out the need for agencies to ensure that their representatives were appropriately mandated. In this way there was a clear two-way commitment between the ASCP and the agencies that participated. The issue of leadership was also raised in the protocols. It was made clear that each work strand needed a leader from both central and local government. The local government leader was responsible for communicating key decisions to local government participants on both the individual work strand and the Sustainable Auckland Steering Group. The central government leader was responsible for communicating key decisions to central government participants on both the individual work strand and the Senior Officials Group. These particular protocols support the building of capacity between organisations and provide guidance on how to work together – these could be

considered to be contributing to the relational capacity and organisational capacity aspects of institutional capacity, as discussed in Chapter Three.

In terms of the structure of the ASCP, the collaboration protocols made it clear that the decision-making and accountability processes of the participants' organisations and sectors needed to be respected. This demonstrates that the ASCP was set up to work alongside existing structures, rather than to impose a new structure – in line with the idea of a 'proto-institution' discussed in Chapter Three.

The work of the first year of the ASCP led to the establishment of some agreed work strands. Figure Five illustrates the links between the SDPoA, the ASCP and the subsequent work strands. The case study chosen for this thesis is the Urban Form Design and Development (UFDD) work strand (referred to as the UFDD initiative from this point forward). Resolving the issues of urban form, design and development are integral to achieving sustainable cities, and relate primarily to the physical form and functions of a city (Howell, 2004b). Participants in the UFDD initiative were already involved in a number of projects, so the group sought to add value to these as well as be involved in setting up new projects.

There were a number of reasons for selecting this particular work strand as the case study. It was considered by senior members of the ASCP to be the most effective project of all the six work strands, primarily because of strong leadership, a focus on process as much as outcomes and good project management. The other projects would not have yielded sufficient opportunities to explore the issues under investigation in this thesis, in particular the multi-agency focus evident in UFDD. In addition, the project manager and co-leaders of the UFDD initiative were interested in

some independent work being undertaken to ensure they captured the key learnings and took the opportunity to more fully understand the contribution of the work of the UFDD initiative to changing policy and practice.

The members of the UFDD initiative were willing participants in the research for this thesis and welcomed feedback and thoughts on how future projects could be structured and delivered so to ensure institutional change. A report, drawing on the first round of interviews with key participants, was prepared for the UFDD initiative in 2006 (Heslop, 2006b).

Figure Five   The Structure of the Auckland Sustainable Cities Programme (Source: Howell, 2004b)
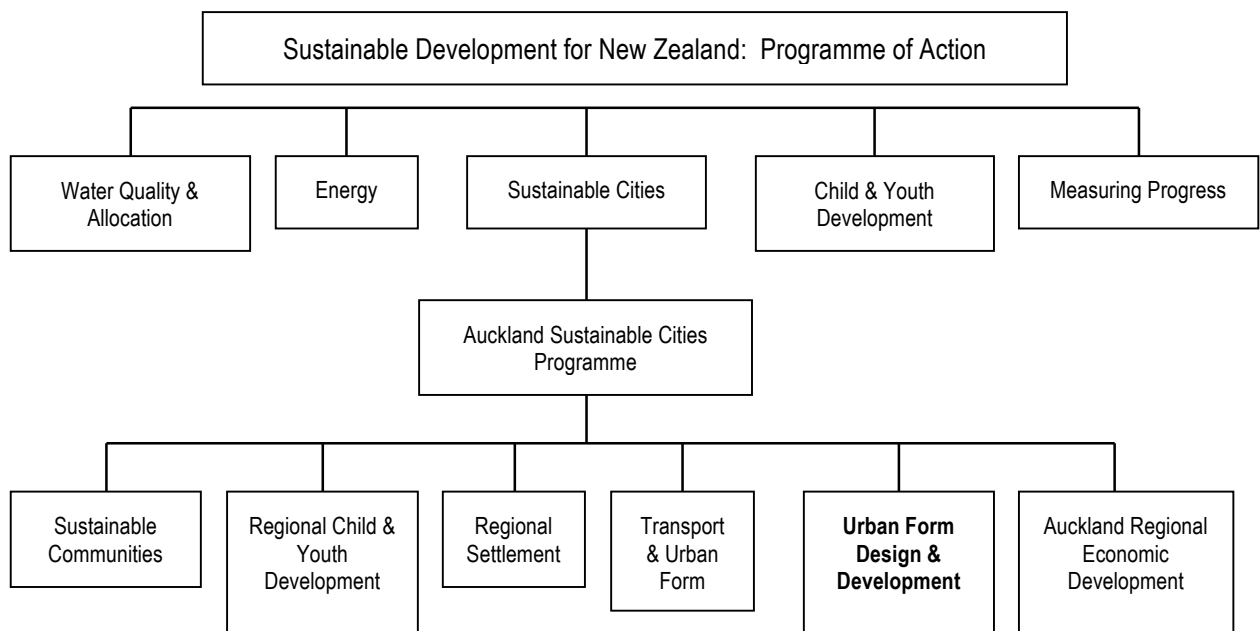
The objective for the UFDD initiative was (UFDD, 2005:1):

> *...to encourage, promote and guide more sustainable urban form design and development in the Auckland region, including building design, location and construction…*

The outcomes sought included increasing knowledge, understanding and buy-in from both central government and Auckland local government to more sustainable urban form, design and development and providing sustainable building standards and supporting best practice in this area (Howell, 2004b). The outcomes stated suggest that the UFDD initiative was as much about the supporting the process of the participating agencies working together to achieve change as it was about generating specific outputs from the initiative.

The UFDD initiative incorporated the four components of sustainable development in its definition as follows (UFDD, 2005:1):

> *Urban form design and development encompasses the physical form and functions of a city – how the layout of buildings, roads, open spaces, and physical and social infrastructure including transport can be best devised to maximize economic opportunity, social wellbeing, cultural diversity and environmental health*

The UFDD initiative also sought to build capacity to support more sustainable urban form, design and development, and used the partnership model from the ASCP to guide its work. There is detailed exploration of capacity building in relation to the UFDD initiative in Chapter Five. The scope of the UFDD initiative is shown in Figure Six and illustrates the physical elements that contribute to the shape of urban form design and development and the impacts of these on sustainable development.

Figure Six   The Scope of the Urban Form, Design and Development Initiative (Source: Howell, 2004b)
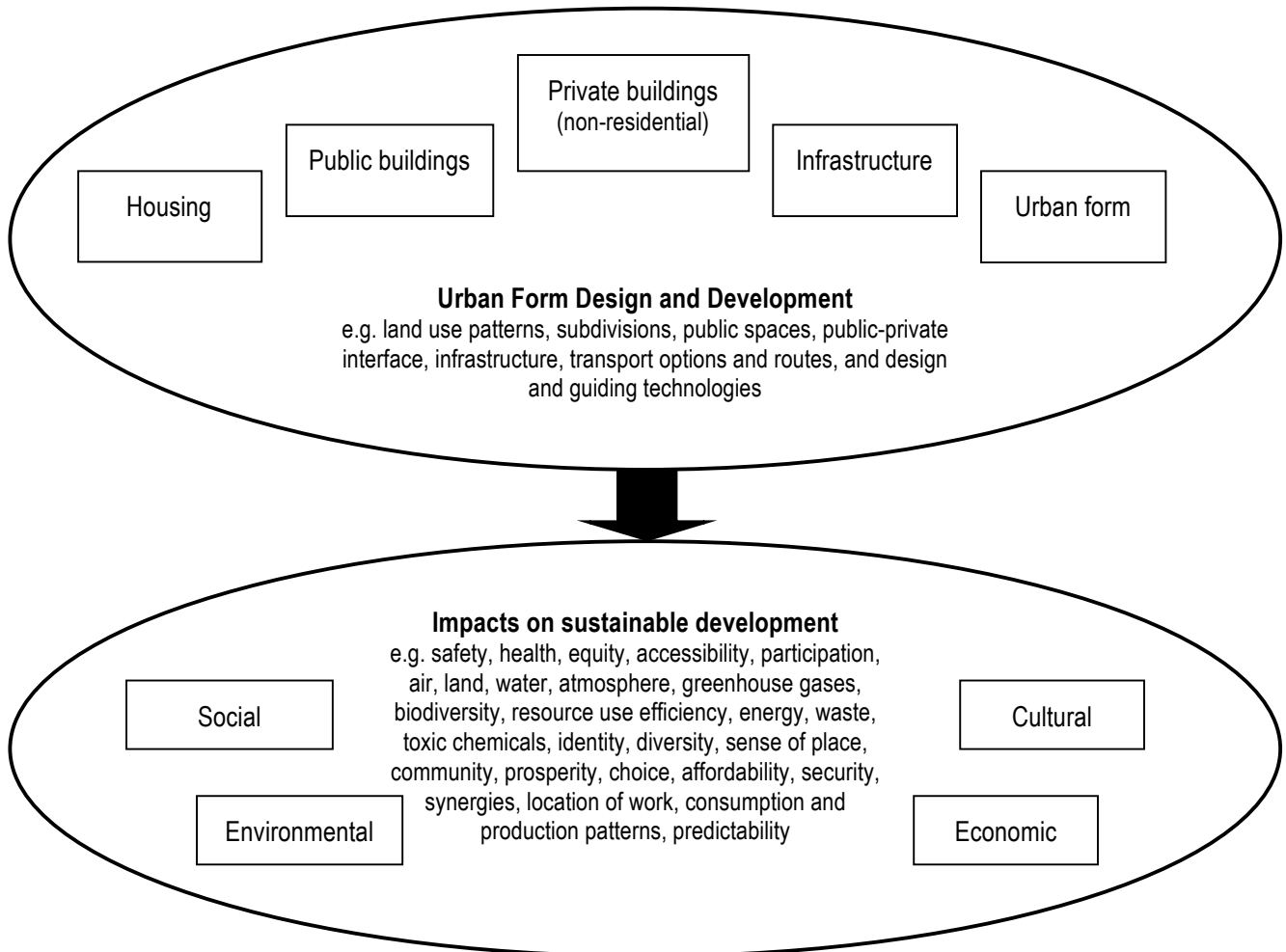
The project team wanted to ensure that the UFDD initiative aligned as much as possible with other related organisational processes and added value rather than duplicate or cut across others' efforts. To this end they sought to provide a mechanism for the transfer of best practice and to accumulate adequate resources to ensure new initiatives were developed in a robust manner that involved key stakeholders. The project team also wanted to ensure Auckland region input into

central government-led initiatives and to extract the maximum value from government funded research in the area of sustainable urban form design and development (Howell, 2004b).

The UFDD project team then established some criteria with which to select projects to work on. These criteria included the need for the projects to: add value to long-term objectives; benefit from a joint central-local government approach; be achievable and demonstrable in the short-term; engage a wider audience; and demonstrate sustainable development outcomes in principle (Howell, 2004b).

In developing the programme brief for the UFDD initiative, there was discussion of other processes and projects that already existed. The leaders of the initiative were conscious of not duplicating efforts and needing to work with existing structures and processes. One particular process that was identified as being closely linked with UFDD was the Auckland Regional Growth Forum (RGF). While the emphasis of the UFDD initiative was on the sustainability of urban form, the RGF was focused on managing the effects of growth. Given that there was likely to be similar membership from local and central government in both processes (UFDD, 2004) and that two processes were both focused on the Auckland region, the project team recognised that this could cause some problems for the UFDD initiative. It was important therefore to ensure there was a close relationship between the two processes.

The programme brief also indicated the need to identify other stakeholders with a concern for promoting sustainable urban form design and development. The purpose of this was to identify stakeholders that could be invited to be part of the initiative or

who would be able to work co-operatively to advance the outcomes sought for the urban form, design and development of the Auckland region.

The other area of focus of the programme brief was on the identification of projects planned for the UFDD initiative. The projects needed to contribute to the objective of encouraging, promoting and guiding more sustainable urban form design and development in the Auckland region (UFDD, 2005). They also needed to contribute to the desired outcomes around sustainable practice, increased knowledge and understanding and strategic investment. The projects were framed thematically, each with their own objective (UFDD, 2004), as shown in Table Two.

Table Two   UFDD Project Objectives

Sustainable Standards
To contribute to the sustainability of New Zealand's building and development standards by promoting sustainability elements for consideration within existing legislation and supporting the development of a sustainable building index. The projects under this theme were focused on the Building Code Review and development of a Sustainable Building Index.
Sustainable Practice
Demonstrate and encourage sustainable urban form design and development in practice and establish practical public sector leadership by securing a commitment by 2007 to the sustainable construction and renovation of public buildings.
Applying Research
To encourage more urban form design and development by promoting the application of relevant research to practice, providing evidence to support better practice and identifying research needs to support sustainable urban form. Projects in this theme included connecting research and practice workshops, reporting on the social impacts of intensification, and scoping approaches to affordable housing.
Infusing Sustainability
To encourage more sustainable urban form, design and development by infusing the sustainability message into other relevant programmes and processes. The specific focus here was on input into the New Zealand Urban Design Protocol, the Auckland Regional Policy Statement and plan changes, and the Unit Titles Act.

Reports prepared as part of the UFDD initiative, including discussions on the value of UFDD (UFDD, 2006), the UFDD Annual Report (UFDD, 2005), the UFDD Programme Brief (UFDD, 2004) and the ASCP Collaboration Protocols (ASCP, 2004), all signal that the primary focus of the UFDD initiative was on strengthening the relationship between local and central government in order to guide and support institutional change.

It is useful at this stage to summarise the projects that the UFDD initiative delivered. While the focus of this thesis is not on evaluating the initiative, it is of value to the analysis of the interviews in Chapters Five and Six to understand what the UFDD initiative achieved during the three years it operated as part of the ASCP. In addition to the regular meetings, there were a number of projects that were completed and these are reported in Table Three under each of the four objectives:

Table Three UFDD Deliverables

Sustainable Standards
• Prepared a paper for the Building Industry Authority on sustainable elements to consider in the review of the Building Code • Prepared an options analysis paper for a Sustainable Building Index • Coordinated input into the Building Code Review
Sustainable Practice
• Ran a Sustainable Buildings Day • Prepared a Sustainable Public Buildings in the Auckland Region booklet • Developed a policy paper and supporting tools for local and central government to assist in the uptake of sustainable practice in the public sector
Applying Research
• Ran two research to practice workshops in Auckland that profiled current research including research funded by the Foundation of Research, Science and Technology • Assisted Local Government New Zealand to run a national research and

	practice workshop, building on the structure and success of the Auckland workshops discussed above
	• Engaged Landcare Research Ltd in some of the UFDD work areas
	• Provided input into the direction of the Ministry of Research, Science and Technology's Sustainable Cities programme
Infusing Sustainability	
	• Ran two urban design champions workshops
	• Hosted the Auckland launch of the New Zealand Urban Design Protocol and Value Case for Urban Design document
	• Coordinated input into the review of the Unit Titles Act
	• Coordinated input into the update of the Auckland Regional Policy Statement
	• Worked on getting signatories to the New Zealand Urban Design Protocol 2005

Around the same time as this research was being conducted, there was a formal evaluation of the ASCP. It is useful to discuss this as it provides some interesting contextual information on the way in which evaluation was considered as part of the whole work programme. The evaluation (Ryan and Sutton, 2006) had a double focus, including the effectiveness of the partnership approach and the outcomes achieved as a result of the ASCP. Interestingly, an awareness of the inter-connected nature of institutional capacity is not evident in the way the findings have been discussed in the evaluation report. Individual elements of institutional capacity, such as leadership, funding, partnerships between agencies, and support and training are mentioned, but the way in which they connect and then support institutional change is not addressed. The main issue reported is that difficulty associated with forming working partnerships between central and local government. Is it important to note that the evaluation framework was developed towards the end of the ASCP, rather than being built into the design and delivery of the programme.

4.4 Building the Connection with the Institutional Change Framework

It is possible at this stage to draw on the descriptive analysis of the UFDD initiative (within the context of the ASCP) as presented above, and make some observations using the three dimensions of institutional change as presented in the conceptual framework (Figure Two) in Chapter Three.

Figure Seven   Observations of the UFDD Initiative Against the Institutional Change Conceptual Framework

Mutually reinforcing elements of institutions that collectively contribute to institutional change for sustainable development N + C + R = institutional change [from Figure Two]		Preliminary observations of the UFDD initiative and the context in which it was developed
Normative *What we value | Knowledge resources*	The need for institutional change to progress sustainable development is normalised. Value is placed on integrative and collaborative processes. Value is placed on the skills and knowledge that support advancing sustainable development.	There appears to be little appreciation for the need to focus on the normative dimension of institutional change. There is no reference to normalizing the need for institutional change for sustainable development. There is also no reference to the need to get individuals and organisations to understand the value of integrative or collaborative processes, although it could be argued that the ASCP and UFDD were set up to support shifts in thinking about these – by demonstrating new ways of working and how this could support
Cognitive *How we work | Relational resources*	Organisations and individuals are provided with frameworks that support integration, the development of partnerships, the formation and functioning of networks and collaborative processes, as the new ways of working in pursuit of sustainable development.	The way the project was set up suggests that it would provide the framework to support new ways of working. It appears from the descriptive material presented that the focus of the UFDD and the wider ASCP context in which it operated was strongly focused on the cognitive dimension. There is much mention of driving integration across the public sector, developing partnerships, shared learning and developing a sound

Mutually reinforcing elements of institutions that collectively contribute to institutional change for sustainable development N + C + R = institutional change [from Figure Two]		Preliminary observations of the UFDD initiative and the context in which it was developed
		platform for collaboration between local and central government. The preparation of the collaboration protocols to help guide the way that the organisations worked together was a key part of shaping the cognitive dimension.
Regulative *How we are organised | Capacity to mobilise*	The new ways of working, such as collaboration, are legitimised through law and policy as being a requirement. Organisational forms allow for both horizontal and vertical integration. Individuals with the skills and knowledge to support sustainable development are given recognition through recruitment and retention practices of organisations.	In seeking to dis-connect the silo approach it does signal appreciation for the regulative dimension. In addition, wanting to align budgets and resources does support shifts in the regulative dimension. There appears to be little reference to integration within participating organisations, with the focus being on how the organisations work together [external rather internal focus]. No discussion on how to support and recognise individuals who have the requisite skills to enable the initiative to meets its objectives.

The observations in the matrix above will be referred to and refined following the analysis of interviews with key participants.

4.5   Data Collection

The purpose of this section is to describe how the data was collected and analysed, and subsequently structured in Chapters Five, Six and Seven. It is important to note

at this time that permission was sought from senior central and local government officials in the ASCP to use the UFDD case study for this research.

A two-phase approach was taken to the data collection from the case study for this research. The first phase was based on collecting information from key participants in the UFDD initiative on their experiences of participating in the initiative. The second phase was based on presenting the findings from this research to participants and seeking their input into shaping the final research findings. This two-phase approach was integrated into the research as shown in Figure Eight.

Figure Eight   Background to Data Collection

> The empirical and theoretical material discussed in Chapter Two and Three was condensed into two conceptual frameworks – institutional capacity and institutional change. The purpose of these frameworks was to help convey the concepts of capacity and change as they relate to progressing sustainable development.

> The UFDD initiative, as an example of a multi-agency public sector sustainable development initiative seeking to effect institutional change, was chosen as a case study.

Phase One Data Collection

> Key participants were interviewed and questioned about the UFDD initiative specifically – its establishment, challenges, processes of change, working together and successes. These interviews were focused around the case study.

> The findings from the first round of interviews are presented in Chapters Five and Six, and the conceptual frameworks of institutional capacity and institutional change inform the reporting of the findings, and the subsequent refining of the conceptual frameworks.

Issues more broadly related to institutional design are identified through the interviews – the interview findings, along with a review of the empirical and theoretical material in light of the research findings, lead to the development of a set of institutional design principles.

Phase Two Data Collection

A selection of key participants from the case study were interviewed for a second time. The focus of these interviews was on the research and the subsequent findings. Participants were asked to comment on the institutional design principles and the extent to which they could inform the design of future multi-agency public sector sustainable development initiatives.

The findings from the second phase of interviews, along with another review of the empirical and theoretical material in Chapters Two and Three, lead to the development of a process to support the design and implementation of multi-agency public sector sustainable development initiatives, embedding in this process the conceptual frameworks and the institutional design principles.

A more detailed explanation of the two-phase approach to the case study is provided below.

4.5.1 Key participant interviews

To research and elucidate issues of institutional capacity and institutional change the most appropriate method was in-depth interviews with key participants. Access to key participants was provided by the project manager of the UFDD initiative, with approval from the co-leaders of the initiative. The project manager and co-leaders were able to provide key documents that informed, and were developed through the initiative, as well as names and contact details for participants.

Prior to the start of the data collection process, ethics approval was received from the University of Auckland Human Participants Ethics Committee for the key participant interviews.

Phase One Interviews

Once ethics approval was given then an interview guide was developed and interview dates and times set up with the key participants. Guided by the advice of Davidson and Tolich (2003) the interview guide was divided into three parts: introductory questions designed to encourage the informant to begin talking; a list of recurrent themes that represented the research interests; and a set of generic prompts. The interview questions are presented in Appendix One.

The project manager for the UFDD initiative was able to assist in the identification of the key participants involved in the work who could be interviewed. These participants represented city, district and regional councils (referred to as local government), central government and research agencies. In total eighteen key participants were identified for in-depth interviews. The participants were advised that the interviews could take between one and two hours and that the interviews would be recorded and transcribed for use in analysis. Participants were also advised that they could withdraw their transcripts from analysis at a later date. All participants agreed to have their interview recorded for transcription and no participants withdrew from the research after the interviews were conducted. Participants were also offered copies of the transcripts but none requested these.

The interviews were conducted towards the formal end of the UFDD initiative (May and June 2006). This timing allowed participants to be able to reflect on the programme, as well as discuss how the capacity built as a result of the UFDD initiative could be sustained into the future, and what progress has been made in changing 'business as usual'. The interview questions were designed to elicit responses that could inform both the institutional capacity framework as well as the framework to understand institutional change.

The interviews with key participants explored the three elements of institutional change. For the normative dimension, participants were questioned on their understanding of the need for change to progress sustainable development, how the change might happen, and what would be needed to support change. The normative dimension considers the extent to which individuals embrace values and norms, but also explores how they express these through their interaction with others. In order to determine the interaction component, all participants were questioned on how others had participated and interacted in the UFDD initiative. Participants were also questioned about where they obtained information to inform policy and practice, how they interpreted and then used this information in the context of advancing sustainable urban form, design and development.

The focus of the questions for the regulative dimension was on the more tangible elements of legal and policy changes that support or deter advancing more sustainable urban form, design and development, and whether the organisational structures and forms that the participants work within are supportive or otherwise of the changes required to progress sustainable development. Questions were also asked around the

issue of whether the organisational structures supported the normative and cognitive elements of institutional change to progress sustainable development.

And finally, for the cognitive dimension the focus of questioning was on the extent to which there was a shared understanding of the changes needed to advance sustainable urban form, design and development, the processes that could support this change, the willingness of participants to drive the change, and how their individual values were supported or not through the UFDD initiative. Questions were also asked about how conflicts of perspectives, both personal and professional, were reconciled. Participants were also questioned more broadly about sustainable development and what it would mean to advance it as the paradigm for public policy in New Zealand.

The interviews were recorded and transcribed. In addition to the transcripts, jotted field notes were also taken during the interviews that sought to capture a stream of consciousness while in the research setting (Tolich and Davidson, 1999). These field notes were then expanded soon after the interviews, with an initial attempt to order the information.

The expanded field notes also formed the basis of a report to the UFDD initiative. As part of the approval to use the UFDD initiative as the case study for this thesis, the project manager had asked for a report to be prepared that highlighted successes of the initiatives and identified areas where improvements could be made if similar initiatives were undertaken in the future. The project manager was interested in capturing the key learnings in order to stimulate reflection by the participants in UFDD. The subsequent report (Heslop, 2006b) was presented to participants in the UFDD initiative towards the end of the three-year programme.

Phase Two Interviews

Following the analysis of the data from the interviews, which is described in more detail below, it was possible to draw out a set of institutional design principles. A second round of interviews with key participants then followed, with the purpose of these interviews is to test whether the principles developed would address the issues raised by individuals participants in their original interviews and be useful in designing future initiatives, in particularly joint local and central government sustainable development interventions.

Six key participants were interviewed again for this phase of the research. The participants were selected on the basis that they represented a cross-section of those who were responsible for designing the UFDD initiative, including those who were responsible for running it and those who participated in it. It was considered that this would provide insight across all aspects of institutional design. In addition, all those selected to be interviewed continue to be involved in a professional capacity in work that contributes to advancing sustainability practice, so are well placed to reflect back on the UFDD initiative and think critically about the value of the principles of institutional design.

The approach taken to these interviews was two-fold. Firstly, take the participants through how the research was structured, including identifying the institutional barriers to change, drawing on the empirical and theoretical literature to develop the frameworks for institutional capacity and institutional change, and the contribution of the UFDD initiative case study to testing and refining and frameworks. And secondly to present the principles that have been developed through this research specifically to

guide how multi-agency interventions were designed, playback to participants some

of the issues raised in the original interviews about the way of which the UFDD was

designed and operated, and determine the extent to which the principles would have

addressed some of the issues raised and could be used to support the design of any

future initiatives.

An interview guideline was prepared that was taken to each interview and used to

structure the discussion. As mentioned above, the approach with the interviews was

to take participants through the logic of the research, culminating in the presentation

of the principles of institutional design. A copy of the interview guideline is included

in Appendix Two. Before each interview, the transcripts from the original interviews

were reviewed in order to draw out some of the key observations so they could be

played back to participants and help inform their consideration of the principles.

4.6   Data Analysis and Reporting

The data analysis and reporting occurred in two phases, as described above.

Phase One Data Analysis and Reporting

The first step in the data analysis was to review and code over 400 pages of interview

transcripts and the extensive field notes. The initial coding sought to pick up on

discussions around participants, processes and pathways. This approach was used in

Chapter Two as a way to present the emerging responses to progressing sustainable

development and was considered useful as the first step in coding as it allowed for a

descriptive analysis of the UFDD initiative and its contribution to building institutional capacity and to institutional change.

The next step in the data analysis was to code the material more specifically around the concepts of institutional capacity and institutional change. The institutional capacity analysis was focused on testing the presence or absence of the capacities identified in Chapter Three – individual, organisational, relational and enabling – identifying where specific capacities had been built and new capacities that were developed through the UFDD initiative. This analysis was not designed to be an evaluation of the UFDD initiative, rather it focused on testing and refining the conceptual frameworks developed in Chapter Three, which necessitated a deeper understanding of issues of capacity.

The results from the analysis of institutional capacity are presented in Chapter Five. The structure for reporting the material is based on the four aspects of institutional capacity as discussed above. The themes from the interviews, as they relate to each aspect, are reported, followed by a discussion on the contribution of the UFDD initiative to building that particular aspect of capacity. The Chapter concludes with a summary of how the case study contributes to the conceptual framework of institutional capacity for sustainable development.

The institutional change analysis, presented in Chapter Six, focused on coding and analysing the transcripts and field notes using the concepts developed in the framework to understand institutional change. This analysis was focused firstly; on the extent to which the individuals who participated in the UFDD initiative accepted and understood the need for institutional change (normative aspect), secondly on any

physical and tangible institutional changes that occurred as part of the UFDD initiative (regulative aspect), and thirdly; whether the normative and regulative aspects of institutional change were given tangibility and support through any changes in processes (cognitive aspect).

Through the analysis of the case study findings it was possible to not only refine the conceptual frameworks but to identify some key factors associated with the way in which the UFDD initiative was designed and implemented. This leads to the development of the institutional design principles that are presented in Chapter Seven.

It should be noted that in presenting responses in the text of the thesis the local government participants have been referred to as 'local government official' in the text, and central government participants have been referred to as 'government official'.

Phase Two Data Analysis and Reporting

During the interviews with the small selection of key participants from the case study comprehensive notes were taken. The interviews generally followed the material in the interview guide so it was possible to report the findings against the institutional design principles. In addition to the principles themselves, the key participants were questioned around the usefulness of the principles and how they might be applied. This questioning aided in the development of the design process that is presented in Chapter Seven.

The following two Chapters - Five and Six - are focused specifically on the UFDD initiative case study and the refinement of the conceptual frameworks of institutional

capacity and institutional change. Chapter Seven is focused on the development of the institutional design principles, the testing and refining of these, and the subsequent development of the design process to guide multi-agency public sector sustainable development initiatives.

Chapter Five

Building Institutional Capacity: The Urban Form, Design and Development Initiative

5.1 Introduction

It has been argued through this thesis that the building of institutional capacity is a critical element of progressing sustainable development. A conceptual framework for institutional capacity was proposed in Chapter Three, with capacities defined as individual, organisational, relational and enabling. The Urban Form, Design and Development (UFDD) initiative is used as a case study through which to test and refine this conceptual framework. While it is acknowledged that the UFDD initiative did not specifically seek to build institutional capacity, it was designed as a vehicle for progressing sustainable development. The proposition being advanced in this thesis is that the building of institutional capacity is an essential element in achieving the outcomes being sought. To this end it is important to explore the extent to which institutional capacity was built through the UFDD initiative.

The purpose of this Chapter is to analyse the strengths and weaknesses of the UFDD initiative, from the perspective of key participants, using the institutional capacity framework as an analytical lens. In doing this it becomes possible to determine which capacities were evident, which were missing and those that were developed and

extended during the UFDD initiative. The Chapter concludes by identifying additional elements that can be incorporated into the conceptual framework for institutional capacity.

5.2 Individual Capacity: Participants

The elements of individual capacity, identified through the empirical and theoretical literature, were discussed in detail in Chapters Two and Three. Through the interviews with the UFDD initiative participants it is possible to elaborate on these elements of individual capacity.

5.2.1 'Soft' Skills

A consistent theme that emerged from the interviews was an understanding of the importance of 'soft' skills and the value they brought to the UFDD initiative. One senior local government official observed "*we ended up hiring people who were much better at relating to other people, persuading other people, communicating, listening, valuing the community…and the whole array of softer skills*". Another senior local government official expressed the view that more "*people are being hired…for their knowledge of systems or how to do policy or whatever*".

When questioned around whether these soft skills were as valued as more traditional technical skills such as those associated with other professions, such as engineering, a range of responses emerged. One senior local government official commented:

I just wanted to take exception with that idea that technical gets valued higher. I actually think that technical reaches a glass ceiling much earlier…so if people were thinking about developing these skills for life, or for a career, you'd go a lot further with the sorts of skills that a strategic broker needs, I think, than with the technical ones.

While acknowledging that soft skills were valued, one senior local government official suggested *"I just think people who have got them tend to go and apply them up the career chain and do more and greater things within organisations, rather than between them"*.   Another senior government official supported this view by suggesting *"I think they are highly valued skills"*.

One government official felt strongly that they are not, in fact, valued and said:

…the undervaluing of people people, of people who can mediate, negotiate, facilitate, broker, [are] completely undervalued in our current system, whereas knowledge people or skills based people in that traditional sense are valued and highly paid.

A senior local government official was of the view that *"Brokering. They are not valued"*. A senior local government official, when questioned on the value of the soft skills, suggested *"they take time to prove, shall we say"*.

5.2.2   The Skill to Broker Relationships

The role of a broker to support projects that cross organisational boundaries was identified by some of the participants without prompting. Other participants, when prompted, were also able to talk about this role and identify a number of attributes they thought were necessary for brokers including *"strategic nous coupled with a bit of…good relationship skills and a bit of an eye for a chance"*. The official went on to

note *"they apply…almost general manager skills, but within a lower level [and] broader working environment"*. In stressing the value of brokers a senior government official commented *"having people who can work within…almost within any constraints of the system and just make things happen by pulling things together, is a very key role"*. Other attributes of brokers were identified by one senior local government official as encompassing:

> *…the person with the passion and the vision who is going to make things happen, who is going to broker the relationships.*

> *That strategic broker will be quite good at managing relationships*

And a senior government official observed:

> *It's a very mature skill, because you have to have had a bit of experience. It certainly requires the capacity to be able to identify that partners have a range of objectives and operating constraints to be able to work with that…you've got to be flexible, you've got to be adaptable, you've got to be really responsive to other people.*

When questioned further on the role of brokers and the value they can add to projects, a senior government official suggested:

> *…you've got to find the right person or people…and it could be a combination of people, but they've got to have some time and priority in which to do it, because otherwise it can disappear. When you give your performance review or indeed report to your minister, it's kind of hard to sell that we did a whole lot of facilitation. People say, well show us what value that added?*

This observation suggests that it may be difficult to evaluate the contribution that brokers, with a whole range of important soft skills, make to projects. While those interviewed acknowledge that brokers are important in supporting change, there

appears to be a need to show how the specific capacities of brokers are part of an integrated approach to building institutional capacity for institutional change to progress sustainable development. The frameworks being developed through this thesis aim to fill this knowledge gap.

In thinking more about the kind of person that might take on the role of a broker a senior local government official suggested that:

> *The person can't be an entrepreneurial ruddy rebel without a cause. They actually have to have a certain amount of smarts and abilities with solutions that are going to work for the community.*

When questioned on the incidence of people with the necessary skills a senior government official commented:

> *...plenty of people could do this... but don't have time within their day job, so I actually think within local government and central government policy people and within other organisations, there are lots of people, I think, with these skills. There are plenty of people that have got that mix.*

In supporting this view, a senior government official noted:

> *I don't think they are as rare as people think, but they tend to be attached to an organisational structure, rather than attached to a programme like Sustainable Cities. So they are a resource to the organisation rather than a resource to a collective effort. That was the hard sell.*

This statement suggests that, while many of those involved in the UFDD could see the value of having people with the skills to broker, there remained a barrier to proving their effectiveness. The individual whom participants considered took on the role of the broker for the UFDD initiative was also the project manager. Having a

dedicated project manager was seen by all interviewees as being a key element of the success of the UFDD initiative, as is discussed in detail below.

5.2.3 A Manager of Process

The UFDD initiative had a funded project manager. A strong view from participants interviewed was the value of having a dedicated resource to ensure the work programme progressed, information was communicated, and relationships were actively managed, with a government official noting *"It's made a huge difference"*. The project manager was considered by those interviewed to have the ability to identify opportunities to pursue the goals for the UFDD initiative, both amongst the organisations involved as well as more widely. This indicates that the project manager was also well networked with organisations and individuals involved in furthering sustainable urban form, design and development, particularly in the Auckland region. A senior consultant observed that the project manager had *"done a good job at linking us together"*. A senior local government official noted:

> *as a paid person, managing it, was probably what made that project a lot more successful…you couldn't have got a better person to do that, really focused, really committed, clever smart…that was able to do all the bits and participate in a much more dedicated way than any of the rest of us…*

The necessary attributes for someone taking on the role of managing a cross-organisational project such as the UFDD initiative were identified as *"somebody who knows where they are going, how to organise an array of overly busy people, in order to get there and how to recognise talent and haul it in"* (government official) and *"a natural grasp of how it all fits together and what needs to be done and who needs to*

do what (senior consultant). According to a senior government official the project manager also had a role in circulating information:

> *... send things out relatively regularly, they were almost always relevant, they were often things that traversed different agencies, which again helped to bring agencies together, sometimes in entirely different forums and seminars and what have you and in a way that information flows...*

In reference to the issue of time raised above, a government official suggested *"if you've got someone who can lead, show the way, bring people together, who's got the energy and the time to do that, I think you can achieve quite a bit."*

One senior local government official commented that having a project manager *"...did make a difference because by being able to respond to what they suggested and then at the next meeting say, well here it is, we could actually move forward".*

Another key role for the project manager of the UFDD initiative was to create:

> *…an atmosphere around that stuff is really important because that's what keeps people coming back, because there is no compulsory…Nobody has to come to the meetings, they come because they want to and I think that's quite a good thing.*

One potential drawback from having a project manager was that *"a lot of the work has come back to me instead of it being networked out...* (senior local government official).

5.3 Organisational Capacity: Processes

Organisational capacity, as described in Chapter Three, refers to processes that support an organisation and the individuals within it to work together, and support the building of individual capacity. These processes include vertical and horizontal integration, development of partnerships, building of trust and confidence, collaborative processes, changes in organisational culture and the use of networks.

There was very little evidence from the interviews with participants in the UFDD initiative of any attention being paid to issues of organisational capacity. In fact a number of participants identified the lack of political engagement, specifically with politicians from each participating council, as being a factor that hindered its effectiveness. Comments from participants included "*it really didn't engage properly at the right levels*" (senior local government official), "*the councillors got all suspicious and horribly bothered by it all*" (senior local government official) which reflects the lack of involvement of politicians in the establishment of the wider Auckland Sustainable Cities Programme, "*politically I think if they'd thought a little bit more about the political engagement*" (senior local government official) and "*one of the things that was a failure…was the lack of political engagement* (senior local government official).

Some participants also thought they were not given enough support to help them communicate and engage with their politicians, with one senior local government official stating "*it was really left for every council to sell this and that just…It was hard. Every council said, well what are we getting from it?*"

Many of those interviewed commented that political engagement was a key ingredient because *"unless they have got political understanding, then they won't get very far"* (senior local government official). Another senior local government official suggested *"perhaps what we didn't engage was their passion".* The importance of politicians was summarised bluntly by one senior local government official as:

> *without the political…absolutely clear political leadership, you are gone, absolutely gone and if that's not framed in a way, with those deliverables…those buggers don't get re-elected and then we're in the shit.*

5.4 Relational Capacity: Processes

Relational capacity, as described in Chapter Three, refers to processes that support and allow a number of organisations to work together, and also support the building of organisational and individual capacity.

5.4.1 Learning Journeys

When UFDD was established, there was acknowledgement by the co-leaders and project manager of the wealth of information, both local and international, in the area of sustainable urban form, design and development. This was considered a challenge for practitioners who wanted to be able to access and learn from both existing and emerging material. To some extent this challenge was overcome through the network that was established as part of the UFDD initiative, and co-ordinated by the project

manager. A senior local government official suggested *"where we haven't got any time to invent new knowledge, it is accessing, transferring, reforming…and then getting it to bite size pieces"*. Another senior local government official commented that they had *"really good knowledge now about what's happening in this field in different organisations, where the different organisations sit in relation to different issues, the research that's going on in the space, some of the political constraints…"*. And a government official stated *"It's just a really good forum for people to find out what's going on and keep up to date with progress on various projects and stuff"*.

When discussing the issue of sharing knowledge amongst participants a senior local government official commented:

> *particularly with the smaller councils, they found this very useful because they don't have colleagues in their own councils who they can talk about this stuff with, so to have a place where they can come and find out what's going on without having to go through hundreds of websites or read all the emails or whatever…but having one space where we all update each other.*

Another benefit that was identified by a senior government official related more to the up-skilling for more junior members in that:

> *people of varying ages and varying levels of experience around the table, there was quite a few people who came in who…half the group maybe had…younger and lesser levels of experience and I think for those people in particular, all that sort of information flow just made those connections more understandable.*

In reflecting on the knowledge-sharing aspect of the UFDD initiative one senior local government official commented that it *"has been really useful and I think they won't want to see that stop, so I don't know how we are going to transition that"*.

Participants were concerned about losing this network, which they considered to be valuable.

5.4.2 Purposeful Networking

The UFDD initiative was considered by all those interviewed to be an effective network through which information could be exchanged and relationships built and maintained. Interviewees noted a number of benefits from their involvement in the network, including one senior local government official who observed:

> *it helped me develop some really amazing contacts regionally. I had a lot of them already but I met the other side, the other people who I probably would never have had an opportunity to meet. The contacts at central government as well were really important.*

A government official supported this perspective and suggested:

> *… just to bring…that particular group of people together in terms of the relationships and the networking and the learnings and the information that you share between each other, was really valuable, just in terms of knowing who is doing what, who is interested in what.*

Another senior local government official developed an appreciation of the value of UFDD during the time they participated and stated:

> *I think over time I really have appreciated the networking stuff, I think there have been more people around the table and we've used that where we can to achieve stuff. I think that's been the main thing…the benefit, has been the networking.*

A government official thought that the networking helped them to know who to talk to:

> It's been about recognizing the people to talk to in different organisations and because we are all sort of on the same level...all technical officer level, it's been easier to do that.

Although one senior local government official was suggesting that the UFDD initiative might not have been making huge progress, they commented "...*even the networking, the reporting back and stuff, has been really interesting*". Despite the fact that some participants considered they already had good networks, one senior local government official noted "...*I really enjoyed the fact that it brought to the table a lot of other ones*". One participant who considered themselves to be geographically isolated from other local government participants commented that "*it was really good to make contacts with the crew down there...good link between central and local government, I thought that was...that has been invaluable*" (senior local government official).

Another senior local government official viewed the networking benefits of UFDD less favourably and commented "*whether it was the most effective and efficient way of networking to achieve better outcomes, working collectively...I don't know, I guess I'm not convinced and I still have questions about that.*"

5.4.3 Building and Maintaining Relationships

In addition to the value that participants placed on the networking achieved through the UFDD initiative, participants also identified the value from building relationships,

not just during the time that the initiative was running but for the long-term. One senior local government official commented:

> *three years is not very long to actually change anything about urban form because it's a very long complex and fragmented process, but what it could do is set up the relationships in order to make things easier as we move forward and I think that's really been a large focus of the group.*

In reflecting on the approach that the UFDD initiative took to developing its work programme, one senior local government official discussed that they:

> *used the work strand as a vehicle to ginger things along and push where it needed to be pushed and…yeah, so in some ways the products were less important than the relationships in the network and the building the social infrastructure, I guess, around that. The ability to know who to talk to and trust.*

The issue of trust, particularly the building of trust between central and local government agencies was mentioned by another senior local government official, when they commented:

> *…I think we have built enough of a relationship that at least we'd have a starting point, whereas certainly in working in council in the 90's, it didn't feel like there was much trust there at all between central and local…and between the region and the [territorial authorities]…So I think it has helped in that regard, I like to think.*

A representative from the health sector saw real benefit from their involvement in the UFDD in that "*it's raised our profile. More people are now contacting us about being stakeholders and being involved in discussions at a higher level, so it's put us on the map in terms of the whole sustainable development area.*"

5.4.4 Shared Understanding

Participants, whether they came from central or local government, valued how their involvement in the UFDD initiative had helped them learn more about other organisations. Local government participants suggested that they understood the workings of central government in more detail, and, in turn, central government participants commented that they similarly understood the workings of local government more than before. In making these observations the participants also understood that progressing sustainable development required local and central government to work together. One senior government official commented *"what has changed is that the key agencies...got to see another way of thinking and doing things"*. Another senior local government official observed:

> *Central government works very differently than local government, we are very open. We are required to be open, that's what government requires us to do, yet when you try and find anything out or do anything with them, it's a closed book and that part of learning about those differences was probably one of the most important lessons. That probably impacted more on the programme as a whole, than particularly on UFDD.*
>
> *I don't know whether we really totally understand how they work, but I think we've learnt a lot more about what you can and can't do.*

A third senior local government official supported this view by suggesting that *"Central government and local government have very different approaches to how they develop a piece of work and how that moves through and so I think we understand each other's approach a bit better"*. Others observed they *"learnt how central government operates and how that sometimes doesn't fit with how local government operates…"* (senior local government official).

The involvement of a representative from a research agency receiving considerable government funding for sustainability research was considered important by many interviewees. Many participants valued the connection between research and practice that was fostered through the initiative, with one senior government official stating:

> *In my book it's almost impossible to have too much research and too much evidence in this area, so I think yes. I know some people looked at the findings and thought, mmm, this is all very inconclusive and maybe this wasn't useful, but I think it was useful, both in terms of ...to some degree the content of the report and to some degree the processes that...the relationships that were built and also the fact that it's just another small example showing different agencies can work together.*

Another senior local government official commented that it was "*...a really strong success, engaging with the research community and matching our needs with what actual funding there is and... That was sort of an extra that we didn't really think about until part way through*".

The research agency became involved, through its own interest in the work of the UFDD initiative, about a third of the way through the three year programme. One senior local government official suggested that:

> *they really needed to be in the loop to know what's going on. So that open door thing again, we didn't really mind that, in fact it's been quite useful in providing some different perspectives in our discussions when we talk in language that we always talk in, to have somebody who kind of comes in from a very different perspective and suggests different things and we all go, brilliant.*

5.4.5 The Dynamics of Collaboration

Collaboration can bring challenges, as one government official identified:

> *...one of those frustrating things about the UFDD group sometimes, is that people aren't necessarily that forthcoming during the meeting. It does take quite a bit of prompting" and "it's really hard getting the different perspectives...Some people just contribute fine, but...yeah, it's like pulling teeth from other agencies...*

Another challenge of collaboration is that it takes time to work through specific details of projects and processes. One senior local government official spoke of:

> *finding time to do it, if often the key thing, that it's...and so I think that was one thing we were able to do, we did one report and we shared it around. We found opportunities to work together and help each other. So if someone had the capacity to do a bit of work, we all benefited from it.*

Another senior local government official commented *"I think these things just take longer than anybody expects at the beginning of a process"*.

One government official considered collaboration to be a key to progressing sustainable development and commented that it *"raises the issues of other organisations and it allows it to be a more holistic approach.* A senior local government official noted that collaboration meant that participants all:

> *learned there is another way to skin a cat. There is ways of working together and it is possible to agree to disagree in other areas, so concentrate on the areas that you can make progress and agree to disagree.*

A senior local government official reflected that they had:

> *...been able to disabuse central government that we can't work together, we've proved we can. So that's one big thing. We've also proved to ourselves that we, as local government, can work together quite effectively.*

5.5 Enabling Capacity: Pathways

Enabling capacity, as described in Chapter Three, refers to the pathways that support individual, organisational and relational capacity. It incorporates the legal and policy changes and institutional arrangements needed to support the integrative processes within and between organisations (referred to in this thesis as organisational capacity and relational capacity, respectively), and recognise and support individuals with the skills and knowledge to participate in sustainable development initiatives.

There was discussion amongst interview participants of the role of the Local Government Act 2002 (LGA) as a legislative driver. The LGA has as part of its purpose to provide for local authorities to take a sustainable development approach, and provides a mandate for local government to work with central government to advance sustainable development for communities. A senior government official noted that they now "*have an institutional incentive prompted by legislation to get involved with local government, whereas before we didn't and that's great*". This legislation was identified by interviewees as being an enabler of improved interaction between local and central government. The main mechanism in the LGA was the requirement for central government departments to engage with local government in

the preparation of Long Term Council Community Plans, which are required to set out how Councils intend to take a sustainable development approach and deliver outcomes for their communities.

Another enabling capacity is the ability of participants to commit the time necessary to advancing sustainable development. While having a dedicated project manager was considered to have been a key part of the successes of the UFDD initiative, many interviewees considered that individually it was a struggle to find the time necessary to dedicate to participation in the initiative. A common concern was that participation was seen as being in addition to the job they were already doing, rather than as a specific part of their work programme or job description.

One senior government official suggested that a way to support the participation of individuals in projects such as the UFDD initiative was to:

> …*write it into peoples' work plans and performance agreements, thou shalt consult with A – Z and you shall be informed by operational people, operational people shall have input into planning.*

Another senior government official suggested that the voluntary nature of participation meant "…*in our organisation there wasn't a proper flow through from work plans, individual projects, to what people were doing in UFDD, or in other work streams for that matter"*. This official viewed this lack of clarity as a weakness of the UFDD initiative. A senior local government official suggested:

> *It's getting into the organisation and how do you embed it at a chief executive level, right through from his performance objects, right through the organisation, that's the tricky bit really and that's where the gap with the politicians is so critical, is that if they are not demanding of their chief executive, certain stuff around this, it won't happen because there is*

nothing in that person, unless they believe in it themselves, they are not going to be measured on it

5.6 The Building of Institutional Capacity: A Discussion of the UFDD Initiative

The findings from the interviews with the UFDD initiative participants have been presented above as they specifically relate to the four aspects of institutional capacity for sustainable development developed in Chapter Three – individual, organisational, relational and enabling. The purpose of this section is to, firstly, compare the interview findings with the empirical and theoretical material drawn on to develop the institutional capacity framework in Chapter Three, and then, secondly, to draw on the case study findings to elaborate on and add to the institutional capacity conceptual framework. As has already been stated in this Chapter, the building of institutional capacity is considered to be an important element of driving institutional change for sustainable development, so understanding the contribution of the UFDD initiative to building institutional capacity will assist in the analysis in Chapter Six which specifically looks at the extent to which the UFDD was able to affect institutional change.

5.6.1 Individual Capacity

The individual capacity built through the UFDD initiative appeared to be concentrated on the acquisition of knowledge rather than the building of specific attributes, such as skills in facilitation, communication etc. Whilst participants were able to identify a

range of skills, similar to those identified in earlier Chapters, there is little to suggest that these skills were developed as a result of the UFDD initiative, rather they were considered to be already present in some of the individuals who participated. The other aspect of individual capacity to be discussed in this section is the identification of roles for individuals who participate in sustainable development initiatives. Each of these points is discussed in more detail below.

Knowledge

Participants involved in the UFDD initiative considered that through their involvement they had been able to build their knowledge in the area of sustainable urban form, design and development as it related specifically to the nominated projects. The participants acknowledged that it was a challenge to keep up to date with new information and that their involvement in the UFDD initiatives allowed them to access this knowledge in ways that would support progressing sustainable development initiatives in their organisations. An important contributing factor to building of knowledge was the network that developed and operated through the UFDD initiative. The project manager, who managed the network, brought together people from a range of agencies, both local and central government. They met regularly for meetings, where participants were able to share information on projects they were working on. The project manager also maintained the momentum and value of the network through regular communications via email. This allowed participants to keep in touch and up to speed with projects and information. The UFDD initiative also hosted a number of workshops that aimed to connect researchers and practitioners. These workshops provided another opportunity for participants to

access knowledge and to network with people from other agencies, including universities, research agencies and central government.

The empirical literature discussed in Chapter Two suggests that individuals with the capacity to participate in sustainable development initiatives require knowledge networks, as well as understanding of the roles of those involved in collaborative efforts. In addition to the network capacity, as discussed above, participants recognised that developing a clearer understanding of the roles and perspectives of the various agencies involved in a multi-organisational programme, such as the UFDD initiative, was of value and necessity in order to advance sustainable development. In addition, participants accepted that local government and central government agencies needed to be working collectively to achieve the outcomes being sought from the UFDD initiative.

Skills

In the interviews, participants were able to identify a number of the skills that were described in Chapters Two and Three. Participants spoke about the importance of managing relationships, communication, mediation, negotiation, facilitation and brokering. In addition, participants identified the skills of listening and persuasion as being valuable 'soft' skills. Another skill that was identified and discussed by a number of participants was leadership. According to a senior government official:

> *It's got a lot to do with the leadership, in fact if there is one word that comes out of all this that I've seen in other parts of the world, you always find behind some really smart thing, is leadership or governance. The two things go together. And usually somewhere in the woodwork there is a leader who's made a difference.*

What has emerged from the UFDD initiative is the recognition that; in the words of a senior government official:

We talked about champions and governance and leaders and all that, they are the top level, but you've got to have operators who do this stuff of knitting together people and encouraging ideas to flow within…and to people who wouldn't otherwise think about them…

This suggests leadership at the level of leading programmes from the top as well as leadership within programmes. Skills in leadership are important for those with clearly defined roles in leading programmes and for those who act as brokers within a programme. The suggestion that leaders need to have the skills and abilities to be able to bring people together and ensure a flow of information and ideas connects with the discussion on the role of broker and project manager. These issues are discussed in more detail below.

While communication was identified as a necessary skill by some of those who were interviewed, there did appear to be some concerns about the effort put into communication during the UFDD initiative. As one senior local government official stated:

I guess the councils are just big beasts in themselves and communicating across your own council is hard enough. I did find UFDD was always quite funny because quite often I learnt about stuff that [my own organisation] was doing.

This indicates that participants might have needed more guidance on how to communicate the work of the UFDD initiative back to their organisations. While participants in the UFDD initiative were required to share information as part of the

collaboration protocols, it is unclear the extent to which individuals were aware of this requirement.

Roles

The emergence of terms such as strategic brokers and policy entrepreneurs as ways to describe individuals who have the capacity to play an active role in progressing sustainable development was discussed in Chapter Two. Larner and Craig (2005) identified strategic brokers as individuals with technical and sectoral expertise, knowledge of community and government networks, and able to spend a lot of time building and maintaining relationships. Williams (2002) defines policy entrepreneurs as individuals who are able to operate across professional, organisational, jurisdictional and inter-generational boundaries. The attributes of strategic brokers and policy entrepreneurs are similar to those discussed in the interviews with UFDD initiative participants, particularly in reference to the roles of brokers and the project manager. A one senior government official suggested:

> *…those new skill sets, are actually the critical thing, I think too. We have to have brokers who connect stuff up in ways that haven't been done before and make and sustain those connections.*

Through the interviews it was possible to define further the skills of strategic brokers. Communication, listening and persuasion were identified as necessary attributes for individuals with responsibility for tasks such as brokering relationships, managing networks. In the discussions with participants about the project manager for the UFDD initiative it became apparent that the skills required for that role were more than that of a project manager. Project management is generally concerned with

planning, organising and managing resources to deliver a project. In addition to this, the project manager in the UFDD also incorporated the skills of relationship and network management, communication and negotiation. The project manager also understood the systems and processes within local and central government and knowledge of individuals with the talent to support the outcomes being sought.

While the skills of project management and strategic brokering remain relevant there is the emergence of two new roles that are specific to sustainable development initiatives. These roles are referred to in this thesis as 'interpreneurs' and 'intrapreneurs'. They are roles taken by individuals who have the skills of both strategic brokers and project managers, as well as specialist knowledge of the integrated and inter-connected nature of institutional capacity building. They will know how to build the capacities for sustainable development along with detailed understanding of how capacity building contributes to institutional change for sustainable development.

The skills of the 'interpreneurs' and 'intrapreneurs' are the same but their application is in different contexts. The 'interpreneurs' work between the organisations who are part of multi-agency sustainable development initiatives and the 'intrapreneurs' work within organisations. They are able to broker relationships, support integration, manage projects and drive change for sustainable development.

As one senior official commented "*I think we need those people within organisations and I think we need them sometimes across sectors, sometimes between different levels of government*".

A level of 'interpreneurship' was evident in the UFDD initiative, with the building of relational capacity as a result. There was a significant lack of 'intrapreneurship', with only one participant who was interviewed acknowledging that this was part of their role:

> *from my experience…my involvement in the group…for me, when people say things, I do…I write it down and…you know…don't forget about it. I try and go back and think about it and think about, how does that impact or feed into what I'm doing and what the urban team is doing and maybe even wider and what [organisation name] is doing and maybe flag various things to others within our team and within [the] wider [organisation].*

A proposition that has emerged through this thesis is that there is a role of 'interpreneurs' and 'intrapreneurs' as part of sustainable development initiatives .

5.6.2 Organisational Capacity

A significant area of weakness for the UFDD initiative, as identified by participants, was the inability to engage with the politicians in local government. Politicians in local government are key decision makers and an integral part of the organisational structure. Vertical integration was identified as one element of organisational capacity in Chapter Three, as was the building of trust and confidence across an organisation. It would appear from the interviews that not being able to secure the support of politicians is considered by UFDD initiative participants to have limited the achievements of the outcomes sought.

A related issue that has already been discussed in the section on individual capacity was the inability of participants to integrate the work from the UFDD initiative into their organisation and work programmes. The presence of partnerships, collaborative

processes and networks were identified in the empirical and theoretical literature, presented in earlier Chapters, as being critical to the capacity of an organisation to progress sustainable development. Another critical attribute of an organisation with the capacity to participate in multi-agency initiatives is the valuing of individuals with the necessary skills and knowledge, as identified in Chapter Three. Interviewees spoke of the value they gained personally from building skills and knowledge but there appeared to be less clearly articulated benefits from an organisational perspective.

Issues associated with organisational culture were a key point of discussion amongst participants. The building of good working relationships between organisations was considered one of the major successes of the UFDD initiative but there was still a strong feeling that organisational cultures were impeding progress. This phenomenon was referred to as 'institutional inertia' by one senior government official who commented that "*yeah, and it's very hard, because organisations get very used to running…it takes time to turn them around and reshape them, so that's going to be tricky*". This view was reinforced by another senior government official who suggested "*…how powerful is the inbuilt inertia now. How much pressure does it take to push the rock. That's huge, because that's safety. That's my job, I don't want to change anything*". Having the necessary organisational capacities to drive change at the organisational level remains a key challenge.

5.6.3 Relational Capacity

A mandate for the ASCP was to achieve better integration across the public sector. Participants in the UFDD initiative considered this to be the main strength of the

programme, with its strong focus on using networks to build relationships and disseminate knowledge. A senior government official commented:

> *Sustainable Cities Programme was an experiment to try and develop a way of working together. In the event of...the working together bit happened very well, but the programme itself was pretty low key when you look at what it worked on, it was hardly delivering the big, mega issues that are needed. But it set a useful platform, if you like, for doing that.*

While the UFDD initiative was often referred to by participants interviewed as a collaborative project, according to those interviewed there was no explicit discussion of how they would work together rather it appeared that the process of deciding on projects that required input from a number of agencies would contribute to the building of collaborative capacity. While there were collaboration protocols, it appears they had little impact on UFDD initiative and were only referred to one occasion to determine the timing for a media release.

Participants interviewed often commented that they found it frustrating to work in a collaborative way. These frustrations were generally related to the time it takes to collaborate and the inherent difficulties of working in a collaborative way. When participants have been solely responsible for specific work areas they can find it difficult to collaborate. This suggests that individuals involved in multi-agency initiatives might need more knowledge on the benefits of collaborative processes, be clear on the purpose of collaboration and be provided with the skills to work collaboratively. While expressing frustration, there was an acceptance from some participants that collaboration would become an increasingly significant part of sustainable development initiatives. Any collaborative process requires adequate

funding and need to run for a sufficient length of time to deliver the outcomes that are sought, and not be frustrated by rapid turnover of staff.

The forging of better working relationships between officials from central and local government was a strong focus of the UFDD initiative. In setting up the initiative, the project team was clear that they did not want to duplicate efforts, but rather wanted to provide a mechanism to share information and resources to support more sustainable urban form, design and development in the Auckland region. In addition, the structure of the UFDD initiative meant that the participating organisations utilised their own decision-making structures for projects, so the need for joint decision-making was not an issue. The only real sign of partnering was in the contribution of funding for joint projects.

While many considered their involvement in the UFDD initiative to be valuable and the network to be critical to its success, there was acknowledgement that without funding for a person to manage the network as it evolved it would be unlikely to continue beyond the three years of the programme. The importance of this did not appear to be recognised until late in the process.

There was some discussion on the issue of trust. This was particularly so for a senior local government official who stated that "*I think in terms of me, my relationship, it's improved because I think they have figured out that I can be trusted to some extent and the work will be okay*". Another senior local government official also commented on the value that trust can bring to projects such as the UFDD initiative:

> *I think it's that trust thing again, it means that if there is an issue, we can flag it and it can be picked up by whoever needs to pick it up, so I think*

that's been quite helpful and that won't manifest itself particularly strongly, it's just something that happens and will continue to happen I expect.

The network aspect of the UFDD initiative was considered by those interviews to be one of its key successes, with a senior local government official reflecting:

...in some ways the products were less important than the relationships in the network and the building the social infrastructure, I guess, around that. The ability to know who to talk to and trust."

The concern of many was that this network was not likely to endure once the UFDD initiative ended.

A senior government official did provide some ideas on processes that could aid the building of both organisational and relational capacity:

Yeah, in terms of internal ways of working, I think a move towards more cross-departmental teams is part of how we should be doing things differently. I think there also needs to be far greater...for lack of a better word...I'm sure there are better words...inter-pollination between local government and central government agencies in particular. So for example why not have a local government New Zealand rep. also in [the Government Urban Economic Development Office in Auckland]. I think again under the theme of inter-pollination, I would like to see small teams of central government people, e.g., four to six, within...located within the policy teams of the four urban [territorial authorities], North Shore, Waitakere, Auckland City and Manukau.

Relational capacity, as described in Chapter Two, includes vertical and horizontal integration between a number of agencies, the building of trust and confidence, the development of partnerships, and the use of collaborative processes and networks. It appears that the UFDD initiative was successful in building relational capacity, with a senior government official noting *"we've got to have new ways of operating*

collectively to do that. The government has got to give some leadership, but it can't be the only one".

As has been suggested already in this thesis, institutional change for sustainable development requires capacities to be built at individual, organisational, relational and enabling levels. The building of relational capacity does seem to have been a particular strength for the UFDD initiative, but in the absence of building capacity at the other levels then this may have affected its ability to achieve other outcomes. This will be discussed in more detail in Chapter Six.

5.6.4 Enabling Capacity

The provision of funding from the Ministry for the Environment, the central government co-leader, to support the UFDD initiative indicated an understanding of enabling capacity. This funding meant the local government co-leader was able to appoint a dedicated project manager. As has already been discussed, this contributed to the building of individual and relational capacity.

Another enabling capacity is allowing staff adequate time and resourcing to participate in initiatives such as UFDD. It is apparent from the interviews with participants that there was a lack of organisational buy-in that is required to prioritise staff to work on the UFDD initiative projects. This is evidenced by comments from some of those interviewed that their involvement in the UFDD initiative was above their existing workload or that their organisation did not see the benefit of them being involved. There appeared to be little explicit attention paid to understanding more about the culture and willingness of the participating organisations to get involved in

this multi-agency initiative. This issue is particularly relevant in terms of accepting findings from their projects and using them to inform and guide other projects. Individuals participating also need to be adequately supported by their organisations in terms of time set aside to contribute to such cross-organisational issues and recognition of this in their workloads. Participation in initiatives such as UFDD needs to be an integral part of participants workloads, rather than being seen as somehow additional. Recognition of their contribution through development of relevant key performance indicators and consideration in performance reviews would also ensure that there continues to be value placed on staff from organisations working together.

In conclusion, as one senior central government official so eloquently put it *"we can do things differently, we should do things differently"*.

5.7 The Contribution of the UFDD Initiative Case Study to the Conceptual Framework of Institutional Capacity

The UFDD initiative case study enabled the testing of the institutional capacity framework as proposed in Chapter Three and has resulted in expansion and elaboration of elements across all four aspects of institutional capacity. The UFDD case study allowed for identification of a number of additional capacities as shown in Table Four.

Table Four   Additions to the Institutional Capacity Framework

The institutional capacity framework developed in Chapter Two	Additions to the framework from the case study
Individual Capacity	*Individual Capacity*
Skills and knowledge to be able to: • facilitate • resolve conflict • negotiate • communicate • manage projects • develop implementation strategies • develop + foster partnerships • work in a collaborative environment • be creative • identify paths for change + action • lead • experiment + learn • mobilize the collective wisdom of many individuals + organisations • understand various role + linkages of those involved in a collaborative effort • understanding of networks	Skills, knowledge + attributes of individuals include: • able to listen to others • specialist technical + sectoral knowledge about sustainable development • knowledge of systems that individuals and organisations work within • ability to think strategically • able to identify solutions • able to pull together information + people • able to manage the flow of information
Organisational Capacity	*Organisational Capacity*
Processes that enable: • vertical + horizontal integration within an organisation • building of trust + confidence across an organisation • development of partnerships within an organisation • changes in organisational culture • collaborative processes within an organisation • networks to function well within an organisation	Within organisations there is the need to: • engage with politicians • understand + accept the value of collaborations

Continued over…

Table Four continued…

The institutional capacity framework developed in Chapter Two	Additions to the framework from the case study
Relational Capacity	*Relational Capacity*
Processes that enable: • vertical + horizontal integration between a number of organisations • building of trust + confidence between a number of organisations • development of partnerships between a number of organisations • changes in cross-organisational culture • collaborative processes between a number of organisations • networks to function well between a number of organisations	Between organisations there is the need for: • processes to support knowledge transfer • an understanding of the contribution of networks • the acceptance of the value of collaboration
Enabling Capacity	*Enabling Capacity*
Legal + policy changes and institutional arrangements that: • support integrative + collective processes within and between organisations • recognise + support individuals with the skills + knowledge to participate in sustainable development initiatives	The need to: • fund projects for longer-term • fund project managers • make collaboration part of job descriptions + performance reviews • account for involvement in cross organisational projects in formal work programmes – i.e. allocate resources, both time and money

The additions can be incorporated into the framework in the presentation of the conceptual framework for institutional capacity developed through this thesis (Table Five below). This table will be referred to later in this thesis when the conceptual frameworks are incorporated into the institutional design principles and then embedded into a design process for multi-agency public sector sustainable development initiatives (the focus of Chapter Seven).

Table Five   The Institutional Capacity Framework for Advancing Sustainable Development

Individual Capacity

Individual capacity comprises the skills, knowledge and attributes of individuals participating in sustainable development initiatives, and includes:
 	
• the skills of:
   - facilitation
   - conflict resolution
   - negotiation
   - creativity
   - relationship management
   - communication, and
   - project management
 	
• the ability to:
   - lead
   - develop implementation strategies
   - work in a collaborative environment
   - develop and foster partnerships
   - identify paths for change and action
   - think strategically
   - mobilise the collective wisdom of many individuals and organisations
   - experiment and learn
   - listen to others
   - pull teams of people together
   - identify solutions
   - source and manage information
 	
• knowledge of:
   - networks and how to operate within them
   - the roles and linkages of those involved in collaborations
   - systems that individuals and organisations work within
   - sustainable development, in particular specialist technical and sectoral knowledge

Continued over…

Table Five continued…

Organisational Capacity
Organisational capacity relates to the capacities that are required within an organisation to support the advancement of sustainable development, including: - vertical and horizontal integration within an organisation   - building of trust and confidence across an organisation   - development of partnerships within an organisation   - changes in organisational culture to support the capacities and processes required to progress sustainable development   - collaborative processes within an organisation   - well functioning and valued networks within an organisation   - the engagement with decision-makers, including politicians, to secure buy-in and support   - an understanding and acceptance of the value of collaborations by staff, senior management and politicians
Relational Capacity
Relational capacity relates to the capacities required to support interaction between a number of organisations who are collectively advancing sustainable development, including: - vertical and horizontal integration amongst participants in the various organisations   - building of trust and confidence between participants from a number of organisations   - development and management of partnerships between a number of organisations   - changes in cross-organisational culture to support the capacities and processes required to progress sustainable development, including the value of collaborations and multi-agency initiatives   - collaborative processes between a number of organisations   - well functioning and valued networks between a number of organisations   - processes to support knowledge transfer between participants in a number of organisations   - the acceptance that projects based on multi-agency participation need to be fostered and developed in partnership with those who will be asked to participate

Continued over…

Table Five continued…

Enabling Capacity

Enabling capacity comprises the legal and policy changes and institutional arrangements required to support advancing sustainable development, including
 	
• embedding collaboration within legislation and policy as a core element of advancing sustainable development, including:
 	
  - a recognition of the value of collaboration and the extended timeframes required to ensure successful collaboration
 	
  - building in of longer-term timeframes for initiatives that may span the three-year political timeframe
 	
• ensuring the institutional arrangements support the integrative and collective processes that are required within and between organisations, including:
 	
  - clarity on decision-making and communication processes
 	
  - support for the exchange of knowledge between participants across organisations
 	
  - the funding of longer-term projects
 	
  - accounting for involvement in cross organisational projects in formal work programmes – i.e. allocate resources, both time and money
 	
• ensuring that individuals with the skills, knowledge and expertise, as described under Individual Capacity, are recognised and supported, including:
 	
  - allowing participants time to participate in and contribute to cross-organisational initiatives, including managing workloads
 	
  - funding of dedicated project managers
 	
  - inclusion of collaboration as a requirement in job description
 	
  - reflection and reward of participation in collaborative initiatives in performance reviews

The next step in this research is to test and refine the conceptual framework of institutional change and this is the subject of the next Chapter (Chapter Six). Towards the end of Chapter Six the matrix of institutional capacity and institutional change developed in Chapter Three will be used to summarise the findings from phase one of the case study.

Chapter Six

Enabling Institutional Change: The Contribution of the Urban Form, Design and Development Initiative

6.1 Introduction

The Urban Form, Design and Development (UFDD) initiative was part of the Auckland Sustainable Cities Programme (ASCP). Its mandate was to achieve better integration across the public sector and to remove institutional barriers so progress could be made with sustainable development (DPMC, 2003:12). The conceptual framework for institutional change for sustainable development, developed in Chapter Three, provide a lens through which to critique the extent to which the UFDD initiative contributed to these stated outcomes. Findings from Chapter Five can then be drawn on to determine the extent to which the limitations in building institutional capacity can explain the extent of institutional change as a result of the UFDD initiative.

An area of interest that emerged from the interviews, and of particular relevance to this thesis, was that of formation, evolution and operation of the UFDD initiative from the perspective of the participants. As a starting point to the discussion on institutional change, this provides interesting context for the way in which the outcomes being sought by the UFDD initiative were advanced. The focus of the

Chapter then turns to examining the initiative in relation to the three dimensions of institutional change – normative, cognitive and regulative, and to then provide some insights on the extent to which the UFDD initiative was successful in encouraging institutional change.

6.2 Formation, evolution and operation

The way in which the UFDD initiative was developed and how participants became involved was the focus of much discussion with the interviewees. Particular concerns were raised about the formation and evolution of the initiative, as well as issues associated with their participation and length of duration of the UFDD initiative.

6.2.1 Forming and Evolving

A range of perspectives emerged from the participants concerning their involvement and understanding of the formation and evolution of the UFDD initiative. One senior local government official had clear views on this:

> *But I think there was a choice at the beginning that this was really about central, local, government relations, it wasn't about a public education programme or bringing business along, even though those were things that would be great to do as well, this was really about getting the relationship working between levels of government, so that was where the priority was.*

There was an element of scepticism amongst some of those chosen to participate. One senior local government official commented that "*I suppose I was a little resentful when suddenly I had this baby passed to me*" and then *"because I wasn't in*

from the beginning, on the genesis of all this structure, I find it a little difficult to work out what they are all doing at times". Another senior local government official observed:

> *felt like it had some kind of ulterior motive to start with…obviously some other group wants to have a go at urban form and deliver stuff, but what…So particularly for the first year I just felt you had just all these additional bureaucratic bosses, if you like. It was hard to see the benefits.*

This sense of confusion and lack of clarity was reinforced by another senior local government official who noted:

> *my CEO wasn't particularly interested in us getting involved…Just thought it was another one of those initiatives from government that was going to mean very little, so what we tried to do was make sure there were opportunities for us to get some advantage and benefit out of it*

When questioned about the formation of the UFDD initiative a senior local government official suggested:

> *I thought it was pretty messy…I guess its original intent was, yes, we want to do something for Auckland and then it was…it seemed like a good idea that had to justify its existence by coming up with things and it seemed to be like a real uncoordinated struggle between disparate groups of people to come up with a bunch of things that sort of fitted into this framework of Sustainable Cities and so I got a sense from it, it was not very strongly reasoned or developed in a cohesive way that helps to keep people motivated in a framework where everybody has already got too much work and too much information competing for their attention and trying to fit this into their priorities, even though the intentions were good, I didn't really see the way that it was packaged and communicated, really helped to put it high enough on peoples priorities.*

A senior researcher expressed the view that the *"programme is a little bit amorphous from my point of view"*. This was supported by a senior central government official who observed:

> *it was never quite clear to me the logic of the mix of work streams and even within the work streams where there was a sort of a good energy and a feeling that hey, this is useful work...I think the mix of projects that were there lacked a certain coherence.*

One senior local government official, involved from the beginning of the UFDD initiative, commented that *"I know there was some very interesting discussions at the beginning as to what we should focus on as a group and the group floundered around for quite a while"*.

The purpose of the UFDD initiative was not well understood by many participants, as noted above. Some participants were sceptical about what UFDD could offer in terms of advancing areas of work with which they were already engaged. Others felt that the purpose was never made especially clear. Many participants, however, did appreciate that the UFDD initiative was mainly focused around developing a working relationship between local and central government.

Like many projects, a critical element of success is getting the right people to be involved. The co-leaders, as discussed in Chapter Four, used their networks as the starting point in identifying likely participants. This was acknowledged by a senior local government official:

> *...initially, [we] just picked on the people we knew that we thought would make a contribution, to be quite honest...Bluntly...we did just look around the region. We actually picked even in the councils, individuals, to make sure that we actually had people who were...had some keenness,*

and then we simply just, to others, put out the invitation, and I just think the timing was incredibly right, that people just simply wanted to participate…

This initial selection process showed that the UFDD leaders understood the need to include people who were interested in the topic being considered in the initiative and who were perceived as being able to shift policy and practice in this area. However, there are risks from working with people who are already committed to this. A senior local government official noted - *"we have to move from beyond passionate individuals to business as usual, there's no doubt about that. How you do it, I don't know"*. When questioned on perceptions of whether the 'right' people were involved, one senior researcher commented:

> *I would think there was…I would take it as read. It would be interesting to know where everybody was on that spectrum and whether there were people who really were committed and really were thinking, right…or whether it's just a kind of fad.*

The leaders of the UFDD initiative took an evolutionary approach to membership. A senior local government official stated that there was an *"open door policy"* and *"…because of the way we approached the project, where it was about networking and building knowledge and sharing information and so on, there was no problem with size"*. The open nature of the membership did raise some issues for participants, including one government official who noted:

> *That's one of the issues that you grapple with is that you lose that…not institution knowledge, but that networking knowledge and the constant turnover even at these work streams has been an issue in respect to that…okay, now someone new has come on board, they don't understand what the drivers are and that's been quite difficult and then you are back at square one until such time as you have filled up those…*

A senior local government official commented that, while there might have been other ways to pull the group together, in the end it is really about *"the forum you create for yourself, I think that's the key…So I think it's creating a forum where you test the boundaries"*.

It is clear that confusion over the purpose of the UFDD initiative was a common concern amongst many who were interviewed. These concerns may relate to a lack of communication about the purpose of the initiative and a lack of buy-in from participants and senior management in their organisations, an issue discussed in detail in Chapter Five. While many took some time to find value from being involved in the UFDD initiative, it could be argued that this amorphous evolution supported the idea that form should follow function. The group allowed itself time to determine where to focus attention and what the function of the group would be, and then the open nature of membership allowed the form of the UFDD initiative to follow.

The co-leaders of the UFDD initiative used their networks to identify people who could contribute to the initiative. While this was focused initially on people that already had a certain level of knowledge and ability to drive change towards achieving the outcomes being sought from the UFDD initiative, the open-door policy with respect to membership did see other people join the group. In terms of projects, the co-leaders and project manager of the UFDD initiative did attempt to work alongside existing projects, as well as initiate some of their own. The project manager and co-leaders demonstrated an understanding of the existing institutional landscape, specifically the people and projects with particular interest in furthering the outcomes being sought from the UFDD initiative.

A related issue to that of formation of the UFDD initiative is how it was designed to sit alongside and work with existing organisational structures of the agencies involved. A senior local government official commented:

> *we have a whole lot of structures already and here we are coming up with something else and you start to get into…and it's locally generated and you start to get into this information organisational project overload. Is this duplicating some other things…*

Another senior local government official stated *"it's also about starting a process, a huge process, ignoring all the existing structures. I think you have to be very careful about…we've got too many"*.

It is does appear that there was a lack of understanding amongst some participants on how the UFDD initiative was designed. A senior local government official, in reflecting on how the issue of design observed:

> *I think that was the only way we could have done it because a lot of us didn't have any funding, so it had to work with existing projects or existing opportunities. I think that has been quite useful. It's always harder to take people out of their existing organisations and set up a new structure.*

From the interviews with participants it appears as if coordination for the UFDD initiative was limited to, and framed as, working together on specific projects. The collaboration protocol set up through the broader Auckland Sustainable Cities Programme (ASCP) provided some evidence of thinking about the level of coordination, in that it included guidance on how to work together, communication processes and decision-making processes to be followed by participating organisations.

In terms of the structure of the UFDD initiative, it is argued here that the UFDD can be regarded as a proto-institution (Edelenbos, 2005), whereby a temporary process is placed alongside existing institutions. The UFDD initiative ran for a period of three years, so it was a temporary process. A key part of the initiative was that it was designed to work with existing institutional structures, including people and projects, rather than impose any new institutional structures, including decision-making processes. A particular challenge arising from this use of a proto-institution approach was identified by a senior local government official as:

> *I don't think it was output driven…because it's been network driven, but at the same time, has had to show outputs, that's been the challenge, because it hasn't been 'here's a project, here's the brief, we will do this by this date', it's been more, 'we'll tag onto things that are already happening and relevant and where we think we can add value', so the difficulty has been showing that we are doing something, rather than…if it was one specific project, it would have been much clearer.*

In addition, another senior local government official considered that *"…it tended to package it as something on the edge, not something in the mainstream, which is my big worry"*. This reinforces the view of Edelenbos (2005) that a risk for a proto-institution is that it may not become integrated into the mainstream, thus reducing the ability to effect any enduring and ongoing institutional change. The UFDD initiative, while it did not specifically seek to drive integration, did take small steps towards ensuring that the participants from local and central government agencies were able to work more closely to progress the outcomes being sought.

Many of the UFDD initiative participants who were interviewed considered the dialogue that was fostered amongst the various agencies involved allowed them to feel more confident about collaborating on future projects. There is a potential

tension that exists when a project is established to be both process and output driven. For the UFDD initiative it appears as if the process matters, such as learning and dialogue, were considered by participants to be the most valuable aspect of participation, rather than the producing of outputs, such as reports. However in evaluating the success of initiatives such as this it is somewhat easier to measure the tangible outputs rather than the more intangible relationships.

There was some commentary by interview participants about other ways in which it may have been designed. A senior government official commented:

> *I think Sustainable Cities will probably benefit from some sort of structural home, again thinking of co-location type things…my understanding was that three years ago when the pilot was kicked off, that there was a lot of discussion about whether to go with interagency collaboration type model or to go mono-structural route where you have an entity that is tasked with coordinating and integrating…with a big focus on sustainable development and I understand here that the structural option was put on the back burner for…I guess it was considered too much change…more government or something.*

6.2.2 Managing Workloads

Another issue raised in the interviews was the extent to which participation in the UFDD initiative affected existing workloads. Of particular interest is that central government officials interviewed did not raise this issue at all, whilst most local government officials raised it as an issue of concern. Comments from local government officials included:

> *…lack of resourcing…*
>
> *We had to fit it in around what we were already doing.*

> *...we work [with] staff from...within their existing work programmes and a lot of the projects are co-funded or leveraged off existing work so... It's difficult to account for it all because it's all a little bit opportunistic.*

Central government officials noted:

> *I see that as my role...to make the linkages...I don't know if council officers have the time to do that.*

> *...the agency, I think, has to have a real stake in the outcome...Because we saw this as a priority area for us, it wasn't so hard to then put in the effort into thinking about funding mechanisms and the mechanics of the project.*

Many of the central government interviewees played a role in the formation of the UFDD initiative. The roles included co-leading the initiative from its instigation, working with the co-leaders to invite participants and helping to define the work programme. A noticeable difference is that a smaller number of local government participants were involved at the formation stage of the initiative. This was largely limited to the co-leaders and the project manager. As noted earlier, the project manager was funded by central government. What this suggests, and is reinforced by the views of participants expressed above, is that the role of central government participants and a small number of local government participants was formalised in their work programmes. And has already been discussed in the previous section, a particular tension for others who joined the initiative later was their involvement was generally seen as being extra to their current work programme.

In following up this issue, the central government co-leader was questioned further about the extent to which participation of individuals and the organisations they represent was formalised in work programmes. In response the official stated that the

"*the ASCP was fully mandated by both central government and local government and so participation was formalised*". And according to the senior central government official "*at [our organisation] we had a line on ASCP in our Estimates Text and in the Output Plan, as well as more detail on UFDD in our internal business plans*".

The local government co-leader was also questioned further on this issue and in response stressed that the commitment from local government was evidenced by the fact there was "*dedicated staff, and damn good people at that*". However, the local government co-leader did acknowledge that "*all councils retain the capacity to do what is urgent and has legs - we just reassign people. It's called prioritizing*". The co-leader went on to suggest that some councils in the Auckland region did not engage in the UFDD initiative and that "*it did take some of the players a wee while to grasp that this overall programme would assist them to deliver some real results in terms of the LGA 2002*".

The views discussed above could be explained by the fact that the programme was designed at an executive level and did not engage with the participating organisations at the design stage. There is a question of whether some local government in the Auckland region saw value from participating and whether more could have been done to promote the benefits of participation. In addition, the involvement of individuals in multi-agency initiatives needed to be formalised in work programmes, job descriptions and performance measures.

Participants also commented on the issue of time as it affected their ability to participate meaningfully. One senior local government official commented "*I do believe if you can get the right people around the table and keep talking, you will get*

there. But that takes time…And people don't often have the time". Another senior local government official stated *"because of the distance and also the limits on resources, it's more expensive and time consuming for us to participate regionally".*

The impact of participation in the UFDD initiative on existing workloads and commitments of staff appears to be an issue in the development and delivery of multi-agency initiatives. The capacity and ability of staff to participate effectively needs to be included as a key consideration of the process of understanding the existing institutional landscape.

6.2.3 Extending Horizons

The UFDD initiative ran for a period of three years. The outcomes sought were unlikely to be achieved during these three years, so the UFDD initiative was seen by those interviewed as being a platform for stimulating work for the longer term. There was much discussion with participants about the short duration of the project. A senior local government official observed *"why does this only have to be a three year study, why can't it be that bridge between the central and the local…because it is, it's bringing the two together, so there is those two opportunities there",* and *"I think it's too short a time. I think that's quite a big leap".*

One senior local government official suggested:

> *…our concentration span is too short. We expect results too quickly. We've got to put in that short-term, long-term stuff and acknowledge that it does take a bit longer than you realise. I think sometimes we just totally underestimate how long things take.*

And another senior local government official noted:

often people come together and try things because it seems like a good idea, but for them to really work and have a difference in the real world, they need to be sustained, they need to endure, they need to have that commitment at the highest level that endures and that includes commitment to contribute resources and staff and money to that.

When prompted about what would happen when the initiative officially ended a government official commented *"it's only...from my perspective, it's only really been in the last 10 months maybe, that they've actually really started thinking about...oh...it's all closing off in June.* A senior local government official suggested that one of the ideas was:

"the programme would come to an end and this would fold into some other things and I think for UFDD it was that it would fold into the Growth Forum, which may happen...we still have three months to figure out what we are doing".

In contrast, another senior government official said *"I guess we are coming very rapidly to the end of the three year pilot and we don't really have the next step sorted out and that's a problem".*

The ASCP documentation that was reviewed in Chapter Four suggested this was a pilot programme that sought to establish a whole of region/whole of government approach to progress sustainable development, and to provide a platform to share learning. It appears as though the purpose was limited to the three year time frame of the ASCP. However, given that its mandate was to achieve better integration across the pubic sector and remove institutional barriers to progressing sustainable development then, in retrospect, it does seem short-sighted not to have built in

explicit consideration of what would happen at the end of the project to support the mandate. It is important to build these discussions into the initial design of an initiative and to ensure that there is on-going dialogue on this issue while it is forming, evolving and operating.

Another concern expressed in the interviews that relates to the short timeframe of the initiative was the selection of projects. Some participants suggested that there was a tendency to tackle the 'easy' issues, with one senior local government official commenting:

> *we certainly went for some of the lower hanging fruit, there's no doubt about it...there was a lot of pragmatism and we have to achieve these projects in a very short timeframe, so you do tend to pick things that you are going to score in that timeframe as well.*

Another senior local government official suggested that participants in the UFDD initiative were:

> *...collaborating on the easy things like we want to produce a guide or something, or we want to do a piece of research and we are going to get consultants to do it, but let's all put some money in and make sure that the research is useful to us, all that kind of thing, but I don't think the region collaborates on the stuff that is actually really important"* and *"what's the point of another group avoiding the hard stuff.*

Or as a senior researcher put it *"don't frighten the horses"*. It does seem as if a continued focus on achieving quick wins is short-sighted and does not reflect the long-term nature of the task, as discussed in Chapter Two.

Dovers (2001) suggests that participants in sustainable development initiatives need to be given the time to learn and experiment in the ways they work together in order

to progress sustainable development. The work programme for the UFDD initiative was largely defined at the beginning with only limited opportunity to undertake new projects. UFDD initiative participants were also bound by collaboration protocols that may have affected their ability to explore other ways of working.

6.3 Institutional Change: Driving the Institutional Landscape Towards Sustainable Development

As was discussed in Chapter Three, the institutional change framework is comprised of three dimensions - normative, cognitive and regulative, with shifts needing to occur in all three dimensions to facilitate institutional change. The UFDD case study provided the opportunity to test and refine the conceptual framework developed in Chapter Three, as well as connect institutional capacity building, as discussed in Chapter Five, with shifts in each of the dimensions.

The purpose of this section is two-fold; to present the key findings from the interviews with participants in the UFDD initiative as they specifically relate to how the participants understood institutional change for sustainable development; and then to critique the extent to which the UFDD contributed to institutional change to progress sustainable development.

6.3.1 Understanding Institutional Change: Participants' Perspectives

For the purposes of this discussion the process of institutional change as captured in the interviews with participants is characterised in three ways; what and who drives

the process of institutional change, what institutional changes were observed as a result of the UFDD initiative and what remain as impediments to institutional change. The presentation of these findings provides the platform for the analysis of the UFDD initiative in relation to the three dimensions of institutional change presented in the next section.

The Driver of Institutional Change for Sustainable Development

A common perception amongst participants was that in the New Zealand context there needs to be a crisis of some kind in order for anything to change, including the institutional change needed to progress sustainable development. A senior government official commented:

> *Well, I think New Zealanders, unfortunately perhaps, tend to respond best to crises. So if we have a decent one, then we will all react, too late and with the wrong kind of incentives, in many ways. That's why to think ahead of the game is really important. I don't think we are very good as a country at doing that…*

The official then followed up that observation by characterising New Zealanders as:

> *Very individualistic people, very good at responding at a micro-scale to change, very innovative in that sense, but principally small scale reaction driven. Give a New Zealander a crisis and he'll pull out a number eight wire and fix it, you know, but he doesn't pull out a grand plan with a huge strategy and a multi billion dollar investment plan attached and that's the bit that we haven't got yet.*

A senior government official suggested that *"we tend to plan too much at the micro and not at the macro and the quality of some of the plans ends up being a problem"*. In a specific reference to Auckland, a government official expressed the view that *"I*

think what Auckland really lacks at the moment is an overarching vision of where they want to be". In connecting the vision with the need to communicate effectively, a senior central government official suggested that there is the need to:

> *Make the concepts simple, make an exciting, aspiring vision, create some sense of urgency that if we don't do it, Auckland is going to be a dead duck on the global scene, that's where it needs to be, it needs to be up there, fire it up…get it… And probably get central government to buy in too.*

This view was supported by the comments of another senior central government official who reflected that *"we tend to look at things in silos…I think that the vision, people buying into that vision, the selling of that vision"*, as being integral to making progress with sustainable development. As one senior local government official put it *"we need to get people to agree that there is an issue, because once they do that, you talk about how you deal with it".*

An issue raised in the interviews that often ran in parallel with discussions about the need for strategy was the need for leadership, specifically leadership that drives change for sustainable development. A comment from a senior central government official sums up the issue of leadership:

> *It's got a lot to do with the leadership, in fact if there is one word that comes out of all this that I've seen in other parts of the world, you always find behind some really smart thing, is leadership or governance. The two things go together. And usually somewhere in the woodwork there is a leader who's made a difference.*

In reflecting on the successful leadership of a Wellington Mayor, a senior government official commented that he was successful because he said *"we can do things differently, we should do things differently, and provided some kind of image and a*

leadership thing that triggered a whole set of changes". The official used this

example to support the notion that having a clear and strong vision meant that

> *…every single Mayor since then has never questioned that they shouldn't be into development and integrated thinking and all the rest of it…[there needs to be] strong leadership, sustained leadership that's deep…politicised.*

In contrast to the Wellington experience, a senior local government official lamented

the lack of leadership in Auckland, commenting *"leadership is absolutely crucial and*

I think we have faced this in Auckland, we have had so much chopping and changing

with all our local authorities".

One senior government official expressed a view endorsed by others interviewed that

one area that is often missing from multi-agency projects, such as the UFDD

initiative, is the lack of leadership

> *…and that's the trouble, people start accusing one another of not doing the right thing and blaming other people and it's a great trick, but it doesn't go anywhere. You have to have a leader…a leadership, if you like, that's prepared to move.*

The idea that *"there should be a champion"* was raised by a senior researcher.

While the idea of leaders and champions is often individualised, a senior local

government officials suggested there was a need to build a *"critical mass really, of*

people that think like that" in that it provides a more supportive environment for

change, rather than relying on one person. It also helped reduce the risk associated

with having the person assume the mantle of champion leave an organisation and thus

that skill may be lost from the initiative. One central government official commented

that all of those participating in initiatives such as UFDD need to *"take some personal responsibility or…you, yourself have to buy into it and understand it and understand the importance"*.

The question of where leadership should come from was raised by a senior central government official who suggested that there needs to be *"consistency of leadership at the national level"*. A senior local government official suggested that leadership needs to be demonstrated at all levels, particularly from politicians – *"it will need political ownership and…understanding and leadership, it will need that across local and regional government and Government"*.

On the issue of who should be responsible for driving institutional change for sustainable development, a range of views were expressed on whether it should be top down – with central government and local government leading – or it should come from the bottom up – with the community applying pressure on governments – or a combination of all of the above. One senior local government official, when discussing the role of central government in leading and driving sustainability, commented that:

> *That sustainability bit is just missing…it should be coming from government and that's the bit that I still feel a bit…It's disconnected and I don't know what we need to do to…and even though they want to engage, you just look at the level that they are currently engaging, it's not high level.*

Another senior local government official supported this view in suggesting *"it's going to be difficult without central government leadership"*. The need for central government leadership was reinforced by a senior government official. While

acknowledging the need for central government action, the official considered that what was missing were strategic frameworks for sustainable development, in particular those that could be understood by the community:

> *You've got to start by having a top to come down from…and I really think that New Zealanders, and I'm one of them, haven't either enough experience or ability or faith or something, in some of those bigger frameworks. We've never really done them. We've got to start. And until you've got that, and it can't be just a whole bunch of planners or economists or somebody coming up with it, it's got to be something the community can understand as well.*

The ability of the public sector, such as those agencies involved in the UFDD initiative, to effectively engage and work with communities to progress sustainable development was mentioned by a number of participants. One senior government official reflected that:

> *I think it depends on the degree to which the community gets signals that tell it that it has to make a change and then does it and that is the problem of our current global capitalist structure, that it doesn't give you very clear signals about a lot of things, because you don't have any direct contact with the sources of problems or issues…*

Both local government and central government participants expressed a concern about the ability to effectively communicate messages of sustainability to communities. One senior government official commented that:

> *It's easy for us to get all kind of caught up in our own little bourgeois world, or policy driven world, but actually there is a massive great hinterland of people out there who don't give a stuff or don't understand what we are doing and don't care, because they don't think it affects them, but it actually does. One of the reasons for that is that the manner in which we present our material, it's text rich and it's image poor. We're of a generation that thinks that's clever, but actually it's not clever, because we are missing all these people. They don't know what we are doing, so we are actually disenfranchising them by default.*

Part of it is communication, simplicity of concept… Anybody can put it into 50 pages, but can you actually do it on an A4 sheet. Can you convey the essence of what you are doing or… and for all age groups and life stages around, to understand it.

This was a sentiment that another government official also felt strongly that what was needed was to "*…simplify it and what does it mean to them… It's all well and fine doing the big picture kind of changey stuff, but what does it actually mean for real people on the ground. What are the implications for them?.* There is a clear need to be "*able to talk and engage with a wide group of people, so they are instantly getting a wider buy-in"*. In reflecting on the lack of communication, particularly to local government politicians, as discussed in Chapter Five, a senior local government official commented that there is the need to:

Ensure dedicated communications from the start, ensure connections between local authorities and central government were made and maintained at all levels from the start. Engage political champions and a leverage from this, get stronger political commitment. Ensure smoother transitions when key people change…

Institutional Changes Through the UFDD Initiative

Participants also expressed their views on what had changed as a result of the UFDD initiative. A senior local government official, through involvement in the UFDD initiative, became more aware of the lack of understanding by central government participants about implementation:

It was as if this was a nice thing to do, but do we really need to do anything else. I was a wee bit surprised and it just seemed to be an opportunity for people to sit around and talk about sustainability, which is all very well, but this is about doing, this is about getting projects working in the ground.

One senior central government official, when questioned about whether the UFDD initiative had been able to drive a shift towards its objective of more sustainable urban form, design and development, reflected that *"it's a pretty big ask to begin with, so I think…I would say…it's not making a significant difference".* A senior local government official commented *"it's very slow because everybody is so busy and they are all used to their own little grooves that they are running along".* In contrast to these two views, a senior central government official suggested *"we are further ahead along the path than people might like to think. We're very good at hitting ourselves over the head when we have got a lot of things quite well set up…We need to have our own customized ways of doing that. That's the thing".*

A senior researcher noted:

> *We are moving slowly at the moment, aren't we, I guess. I suppose increasing awareness amongst all the council staff and having a collegial network all pushing in the right direction is all developing the platform for the change and the greater confidence to take these things through to the politicians.*

This view was reinforced by a central government official who commented *"it has provided some focus and some framework for doing things and thinking about things".*

Nonetheless, the value of dialogue in understanding how both central and local government operate was a key success to the UFDD initiative. A senior central government official reflected that "*I think the real benefit has been the central government and local government dialogue. That's the main benefit…and the testing of a few approaches, which could have wider applicability later.*" The same official

also commented *"I don't think there has been anything massively pioneering in any of it really, but as I say, it's unearthed a new sense of urgency to some degree and also the dialogue.*

The central government perspective was supported by a senior local government official who was of the view that *"it is really good to be talking all the time and trying to make it a two way relationship…I think any of these processes that mean that you are talking all the time and hearing about work that people are doing…are all really good"*. In reflecting on expectations from the UFDD initiative a senior local government official commented:

> *I certainly hoped to see an understanding…a capability in the councils, in particular, to recognise what forms of urban development were required and how to give effect to them and that was a pretty tall order and we've fallen short of that, but I've got no doubt at all that we've now got examples right across the region and we've got most of the councils willing to at least move partially in that direction.*

As a final comment, a senior local government official reflected that, while the UFDD initiative did help with *"changing the paradigm, getting the enthusiasm, moving people in the right direction with what they then have to go back to the office and do"*, a gap remains in taking the knowledge and experiences from cross-organisational collaborations back to the participants' organisations. The official went on to suggest:

> *I don't think we've closed that…I know we haven't closed that entirely. I think we've probably helped a bit, but in some ways we've probably just raised people's awareness and frustration rather than actually being able to go back and solve the problem.*

The Continued Impediments to Institutional Change

One of the mandates of the ASCP, and hence the UFDD, was to overcome institutional barriers to sustainable development. The extent to which this was achieved is reflected in the views of participants, who spoke at length about what they considered to be the factors that hindered them in progressing sustainable development through the UFDD initiatives. These impediments encompass factors such as lack of expertise in implementing strategies, communication, leadership, and the dominance of particular mindsets. A senior central government official suggested an impediment to implementing strategies is that:

> *we haven't had enough experience of quite how to do strategies...It's always a problem of course that you can get lost in the strategic level and all the abstract clever description and you don't drop down into who pays for what, when…*

Of particular note was the suggestion by the same official that strategies needed to have both short term and long-term deliverables – *"you've got to deliver a few baubles as soon as you can, rather than say it's all going to be fifty years out"*.

A senior local government official also commented whether the issue was *"a lack of strategy or is it a lack of implementation and another new strategy done in a hurry"*. The implementation deficit, which was raised in Chapter Three, was reinforced by the same official who commented that *"we all believe in it…of course once it hits the ground it's much harder…changing behaviour, as you know, over time, you've just got to keep it up"*. Another senior local government official suggested something similar in saying that *"the plan is just the easy thing to me. It's actually delivering on the plan, that's the hardest thing.*

The need for leadership was raised again in discussions around impediments to change. A senior local government official commented on the *"lack of strategic leadership and…trying to do it on the cheap all the time, which actually is not the cheap, it's the expensive way. It's a national psyche"*.

The issue of mindsets were also discussed as a potential impediment, with a senior local government official suggesting:

> *…perhaps it's a mindset…how do we get away from the liability issues…we should be able to trial stuff. I guess the council is too worried all the time, if it doesn't meet its rules…you know where the problem is going to land".*

Similarly, another senior local government official noted:

> *…some of the mindsets have been developed through the philosophies we've adopted in this country, it's stopped us even thinking about this possibilities and so we are a bit bereft now in terms of how to even go about doing that.*

Another important impediment identified by a number of participants was the lack of capability. This capability is both knowledge and resource-based, with one senior local government official commenting, in specific reference to the UFDD initiative:

> *Fundamental barriers were resourcing, lack of capability…there are very few people sitting around the table who had an urban development, urban design, urban economics, urban social, background, and if they had a planning background, it wasn't framed in terms of thinking about how cities operate and work and could operate and work.*

A senior local government official suggested:

> *…don't think the resources are put in, I don't think there is an understanding of the term 'delayed gratification', we have a political cycle of three years, where you've got to look good in three years. That's very hard other than a quick and dirty go at something.*

A senior researcher also reflected in the short-sightedness of how projects such as the UFDD initiative are funded:

> *…we are really good at getting the seed funding and getting great ideas started, but the reality is, there is not a lot of funding in New Zealand to go the step further…so we kind of get halfway through these great things and then they get lost and then somebody does it again…*

A central government official thought that the UFDD initiative was characterised by "*people coming together for a moment*" with an associated impediment relating to "*time and capacity*". This was supported by a senior local government official who commented *"There may be a lack of capacity, even if you had all the money in the world"*. This critical issue of capacity was explored in detail in Chapter Five.

6.4 Institutional Change: A Conceptual Framework for Analysis

Institutional change to progress sustainable development requires shifts in ways of thinking, ways of working and ways of organising. Scott (1995), in his work on understanding institutions, suggested that for an emerging practice to be institutionalised as the culture and norm of individuals and organisations then attention needs to be given to changes in each of the pillars of institutions (Colebatch, 2006; Dovers, 2005). In translating the pillars (normative, cognitive and regulative)

into what they specifically mean institutional change to progress sustainable development, Dovers (2005) suggested that – the values and expectations (normative) need to accept the need for policy and institutional change; there will need to be legal change (regulative) to support more profound institutional change; and there needs to be the institutional accommodation of the sustainability discourse (cognitive).

The following sections draw on this framework to discuss and critique the extent to which the UFDD initiative was able to make changes in each of the pillars, and therefore encourage shifts in the institutional landscape, specifically in relation to sustainable urban form, design and development.

6.4.1 The Normative: Knowledge Resources

The UFDD initiative sought to guide change towards more sustainable urban form, design and development in the Auckland region. Participants were questioned about their views on change, from broad ideas of what and who drives institutional change to more specific questions on what hinders change. In Chapter Three the normative dimension of institutional change for sustainable development encompassed the normalisation of the need for institutional change to progress sustainable development, the valuing and normalising of integrative and collaborative processes and the valuing of the skills and knowledge needed by individuals to advance sustainable development.

The values and norms expected of individuals involved in progressing sustainable development not only relates to an acceptance of the need for change but the development of ways in which to view and support change. Individuals need to be looking to the future, employing techniques such as problem solving, and exploring

ways in which the individuals and organisations can interact, support one another and work together to progress sustainable development. This could be considered a more intangible aspect given the difficulty in determining the extent to which individuals embrace values and norms, but these can be tested through the ways in which the individuals interact and participate with others. It was possible through the in-depth interviews with participants in the UFDD initiative to analyse the normative dimension of institutional change as it related to their experiences of participating in the initiative.

The first observation from the interviews was the differences in how participants were able to answer questions and articulate their ideas on change for sustainable development. Senior central government officials were well versed when talking about the kinds of changes needed to progress sustainable development, whereas local governmental officials, particularly the more junior officials, were not able to express in any detail on what might be needed and how it might be implemented. One reason for this could be that local government participants tended to be more immersed in the details. Politician and staff in local government are, firstly, likely to more closely connected to their communities, as is required under the Local Government Act 2002, and, secondly, they are more likely to be involved in projects at a local level, particularly compared with central government officials. Central government officials tend to be more strategic and policy-focused given the purpose and function of the central government agencies that participated in the UFDD initiative. Another explanation is that many of the central government participants interviewed were involved in the design of the UFDD initiative and in the early stages of its

implementation so were possibly more knowledgeable on what it would take to achieve the outcomes of integration and overcoming institutional barriers.

The perceived intangibility associated with the values and norms of those who participate in sustainable development initiatives was evident in the UFDD initiative. When participants were questioned about their involvement in early discussions defining sustainable urban form, design and development, most participants did not recall this ever being an item on meeting agendas. A key part of the normative dimension of institutional change is the extent to which the values are expressed and understood by everyone. If participants had significantly differing views on the outcome being sought and the best way to achieve the outcomes, this could have had an impact on the ability of the UFDD initiative to make progress. A senior local government official commented *"I think there was sort of an unspoken acceptance that we kind of all knew a little bit about it."* The work of Colebatch (2006) and Brown (2004), discussed in Chapter Three, suggests that where a particular set of values dominate in a group project that this can impact on progress, so it is important to understand these values and norms as part of understanding the existing institutional landscape.

What did appear to become normalised by participants in the UFDD initiative was the need for local and central government agencies who have responsibility for progressing sustainable development to be working together more and in a more integrated manner. A consistent theme running through the interviews, as presented above and in Chapter Five, was the benefit that participants received from participating in the UFDD initiative. These benefits were associated with the value of

dialogue, partnerships, and learning how the different agencies operated. Another consistent theme was the need for strong leadership to drive change for sustainable development. There was general consensus amongst everyone interviewed that collaboration is considered to be important and valuable to advancing the outcomes of the UFDD initiative. The idea of working together has become a shared norm between those involved in UFDD. This is something which all members wanted to see continued. However, with the programme finishing at the end of June 2006, there was some concern that the benefits brought by participation may be lost and it might be back to 'business as usual'.

Collaboration was identified in Chapters Two and Three as being a key aspect of sustainable development initiatives. Collaboration in the context of the UFDD initiative appeared to be limited to the sharing of information amongst individuals from the various organisations who participated and to co-funding of projects run by one organisation but of benefit to other agencies. There was no indication from the interviews, nor from the UFDD initiative material reviewed, that the collaboration extended to collaborating on the scope and definition of the projects run by participating organisations. Participants often spoke of their frustrations with collaboration and it appears that it may have adversely impacted on the ability of the UFDD initiative to achieve its outcomes. Collaboration, and the value it can add, needs to be normalised as a working practice to support institutional change for sustainable development but needs to extend beyond the extent of collaboration seen in the UFDD initiative.

The strengthening of the normative dimension of institutional change is more likely to happen if individuals commit to the outcomes being sought, understand how the programme is attempting to overcome the institutional barriers and have a sense of ownership of the task of institutional change. Buy-in can occur by bringing individuals together early in the process and allowing them to shape the work programmes. An understanding of institutional barriers to change can be achieved by having an open and honest discussion amongst the individuals from all the participating agencies about what is impeding progress. It is then possible to have a discussion amongst the individuals as to ways in which they think the barriers could be removed. Building a critical mass of individuals who are committed and able to drive institutional change, as evidenced through their norms and values, is a key element in progressing sustainable development.

6.4.2 The Cognitive: Relational Resources

In Chapter Three the cognitive dimension of institutional change for sustainable development provides the frameworks that support organisations and individuals to collaborate, integrate, develop partnerships, and form and operate networks, as new ways of working to build a shared understanding of progressing sustainable development. The cognitive dimension supports and encourages processes of collective action. Previous Chapters have highlighted the inter-organisational nature of the implementation challenge. The provision of knowledge frameworks and processes that support collective action legitimise the norms and values of the individuals involved in the process. Individuals are being asked to accept the need for change and to explore ways in which change might happen. Individuals may feel less

empowered if the shared understanding and purpose at the cognitive level does not reinforce what is being asked from them in terms of values at an individual level.

The UFDD initiative in itself can be considered to be providing a framework to support organisations in advancing sustainable development. It provided a place for local and central government agencies to work together towards achieving more sustainable urban form, design and development. The processes that support these agencies to work together were clearly valued by the participants in the initiative. As had already been discussed in detail in Section 6.3, the processes of partnership, networking and collaboration were accepted as ways of working in order to progress sustainable development and are seen as valuable and useful processes by participants in the UFDD initiative.

The cognitive dimension requires UFDD participants to have had a shared understanding of the objectives of the work strand and what is required to change the way in which urban form, design and development is currently being delivered. There was no explicit discussion within the work strand of the understandings of participants so it is difficult to assess. The fact that there was no explicit disagreement could be taken to imply that everyone accepted the work programme as it was designed and evolved. This could, however, simply be a reflection that the projects in the work strand already existed and there was limited opportunity to change or reprioritise.

While the networking and sharing of learnings that resulted for participants were invaluable, it is not clear to what extent this has affected any real change in terms of

urban development policies. However, participants did generally understand that any change was a long-term process.

The UFDD initiative, as evidenced through the interviews with participants, can be considered to have been strongly, and arguably solely, focused on supporting the cognitive dimension of institutional change for sustainable development. The purpose of the initiative and the way it was structured attempted to provide a framework through which individuals who participated could develop a shared understanding of what was needed to achieve more sustainable urban form, design and development. It provided an opportunity for individuals to be part of collective action to advance their agendas. The UFDD initiative provided a supportive environment through which to build knowledge and networks in the hope it would set a platform for continued action.

6.4.3 The Regulative: The Capacity to Mobilise

The regulative dimension of institutional change for sustainable development, as discussed in Chapter Three, encompasses legislative and policy drivers, adequate resourcing in terms of people and money, the ability of organisations to manage work loads and the commitment by organisations to give individuals the time necessary to work on cross-organisational initiatives.

While the Local Government Act 2002 provides a legislative driver for local government to work in partnership with others, including central government, to progress sustainable development, many participants noted that a lack of any strategy for sustainable development at a national level was impeding progress. Participants

suggested the need for a strong, consistent message through a national strategy of some kind in order to embed and progress the implementation of sustainable development.

The issue of inadequate time and resourcing was a significant concern to participants in UFDD. Many considered that the requirement to be part of the UFDD initiative was in addition to their existing workload. At times this made it difficult for them dedicate sufficient time. The individuals were also not often supported by their organisation by getting help with prioritisation of work. Issues with the lack of capacity was commonly mentioned by participant as affecting their ability to get involved or for there to be much progress made with advancing the outcomes being sought. While there was an acceptance of the value of collaboration and partnership amongst the participants this was often seen as meaning projects took longer and there was no indication that the policy or legislative context recognised this nor supported these processes explicitly.

In relation to the issue of individuals with the necessary skills and knowledge, there were differences of opinion to the extent to which they were valued. While most of the participants valued the contribution of people with the skills and knowledge to network, partner, project manage, facilitate etc, some considered that current organisational forms did not adequately support them. Also important to consider is that the UFDD initiative only ran for three years so it might not be appropriate to expect that the organisational form or policy have been changed to reflect either collaboration or the changing focus on sustainable forms of urban design and development. However, it could be expected that through the development of

working relationships, a culture of information sharing and the building of trust amongst participants in the UFDD initiative, changes may occur in the regulative dimension to better provide for future multi-agency sustainable development initiatives. These changes of course would be dependent on who participated and their sphere of influence.

Given that progressing sustainable development is a long-term challenge, some participants suggested that democratic structures might be impeding changes to the regulative dimension of institutional change for sustainable development. A senior local government official reflected that:

> *I guess the problem is, we live in a democracy and it's part of our New Zealand culture and you have your right to vote your local politicians and they have the right to make the decisions and you know…when you hear that model of democracy it's very hard to get perhaps the big changes that we need. We are not going to be able to redo our democratic system, but how can we work within that to get a more adaptive and responsive government…*

A senior central government official, when questioned around regulative structures to progress sustainable development did suggest *"It might be necessary to have some different governance institutions…"*

6.6 Building the Necessary Institutional Capacity to Support Institutional Change: The Gap Between Rhetoric and Action

The institutional impediments to progressing sustainable development in New Zealand were presented in Chapter Two. They include a lack of focus on capacity

building, poor integration and coordination between and within agencies who are tasked with progressing sustainable development, insufficient resources (time and money) to support implementation, and not enough leadership to drive institutional change for sustainable development.

The ASCP was given the mandate to achieve better integration across the public sector and to remove the institutional barriers to progressing sustainable development. The question is whether the rhetoric was converted into action, as evidenced through the UFDD initiative and the contribution it made to changing the institutional landscape. The findings from the case study indicate that little progress was made and that the barriers of insufficient resources (time and money), lack of capacity building and lack of leadership remained. The UFDD was able to build a better working relationship between local government in the Auckland region and central government agencies with an interest in more sustainable urban form, design and development. However concerns remain over whether the platform that was developed through the UFDD initiative would be able to be sustained and built upon once formally concluded.

The inability to build the necessary institutional capacity, as discussed in Chapter Five, has had an impact on the success of the UFDD in advancing more sustainable urban form, design and development. This thesis contends that if capacity building is considered as an explicit and integral task of any intervention that is focused on overcoming the institutional hurdles to progressing sustainable development then is more likely to drive institutional change across all three dimensions. Institutional capacity needs to be considered as part of institutional design, with the understanding

that capacities need to be built across all four aspects of institutional capacity – individual, organisational, relational and enabling – and that the spheres are mutually reinforcing.

The UFDD initiative contributed to the testing and refining of the conceptual frameworks developed in Chapter Three. The findings from the case study contributed to the testing of the institutional capacity framework, as presented in Chapter Three, but contributed some new elements, and the analysis of the UFDD in the light of the institutional change framework provided the opportunity to support the contention that without institutional capacity there will be limited institutional change. A summary of the findings from the UFDD case study against the matrix of institutional capacity and institutional change for sustainable development, (developed in Chapter Three) is shown in Figure Nine below.

In summary, the UFDD initiative had value as a case study in that it allowed for the exploration of the concepts of institutional capacity and institutional change for sustainable development. It functioned as a place to explore new ways of working, thinking and organising, and it assisted in the refinement of the conceptual frameworks in this thesis. It is apparent from the case study presented in this thesis that an inability to build institutional capacity is likely to render initiatives designed to progress sustainable development ineffectual. Too often interventions are designed with little consideration given to building institutional capacity, although capacity is considered to be an institutional hurdle to sustainable development. The nature of capacity can be difficult to grasp too, in particular the inter-connected nature of institutional capacity. As a result, efforts to build capacity are generally limited to up-

skilling individuals. Thus a lack of focus on capacity can undermine the rhetoric and impede progress with advancing sustainable development. In addition, it is the more intangible aspects of how people and organisations work together (informal rules and practices) that are important in determining whether progress is made.

Figure Nine   The Matrix of Institutional Capacity and Institutional Change: A Comparison of the UFDD Initiative

Dimensions of Institutional Change	Elements of Institutional Capacity Institutional Capacity = I + O + R + E			
	Individual	*Organisational*	*Relational*	*Enabling*
Chapter Three				
Normative *Knowledge resources*	The skills + knowledge identified in Table One/Five[5] contribute to the normative	The processes for within an organisation identified in Table One/Five support the development of individual capacity + therefore contribute to the normative	To a lesser extent relational capacity contribute to knowledge resources in that it can expose participants to knowledge	
Case Study				
Normative *Knowledge resources*	A particular success for the UFDD initiative was the building of individual capacity – skills, attributes and knowledge	A weakness of the UFDD initiative, of which the inability to engage with the decision-makers, including politicians, affected the ability to enable change in the normative dimension.	Relational capacity was built but this was mainly evident across officers rather than the decision-makers	

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
[5] Whilst in Chapter Three the reference was to Table One it has since been refined using the case study and presented again in Table Three (Chapter Five).

Figure Nine continued…

Dimensions of Institutional Change	Elements of Institutional Capacity Institutional Capacity = I + O + R + E			
	Individual	*Organisational*	*Relational*	*Enabling*
Chapter Three				
Cognitive *Relational resources*		The processes within organisations contribute to shifts in the way people + organisations work together. It assists in building up a culture of inter-agency working, with can translate into multi-agency working	Similarly, the processes between organisations contributes to shifts in the way people + organisations work together	The enabling environment has a role in that it provides the conditions to support the new ways of working
Case Study				
Cognitive *Relational resources*		This was a particular weakness of the UFDD initiative and as such unlikely to have contributed to a shift in the cognitive dimension	The UFDD initiative itself provided a framework to share learnings and advance practice. It was primarily focused on building relational capacity and hence able to contribute to some shifts in the cognitive dimension. However in the absence of the other capacities – particularly organisatonal or enabling then this shift is not likely to have been significant.	There was no real contribution of the UFDD initiative to enabling capacity, particularly in reference to enabling a shift in the cognitive dimension.

Continued over…

Figure Nine continued…

Dimensions of Institutional Change	Elements of Institutional Capacity Institutional Capacity = I + O + R + E			
	Individual	*Organisational*	*Relational*	*Enabling*
Chapter Three				
Regulative *Capacity to mobilise*			To some extent the relational capacity provides the processes to support the new ways in which organisations + people may be organised	Enabling capacity has the most impact on the regulative dimension, by providing the legal + policy changes and institutional arrangements to support the other capacities
Case Study				
Regulative *Capacity to mobilise*			The strength of the UFDD initiative in building relational capacity may have contributed to shifts in the regulative dimension, but in the absence of supportive enabling capacity then this is unlikely to have been significant.	The building of enabling capacity was limited and as such is not likely to have contributed much to shifts in the regulative dimension.

Key:

This level of shading indicates a strong connection between the building of capacity and the contribution to institutional change

This level of shading indicates some connection between the building of capacity and the contribution to institutional change

No shading indicates no building of capacity therefore no contribution to institutional change

It is evident from the matrix above that the inability to build capacity across all four elements of institutional capacity affected the ability of the UFDD initiative to achieve institutional change.

Moving on from a particular focus on the case study, it is evident that the conceptual frameworks of institutional capacity and institutional change are useful tools to convey the concepts of capacity and change. The next step in this research is to draw on the interview findings and reflect back on the material in Chapters Two and Three to develop a set of institutional design principles and then embed these, along with the conceptual frameworks, into a process for designing multi-agency public sector sustainable development initiatives.

Chapter Seven

Advancing the Understanding of Institutional Capacity and Institutional Change for Sustainable Development

7.1 Introduction

> Many working in urban governments have experienced considerable shifts in the tasks they undertake, the policy agendas they are expected to realize, the policy discourses they use to justify their actions, the people and networks they relate to and the ways they are expected to go about their work.

> (Healey, *et al.*, 2002:7-8)

Making sense of and supporting the changes suggested by Healey *et al.* (2002) will continue to be a challenge unless those working in the public sector with responsibilities for advancing sustainable development as a public policy goal are able to grasp and understand concepts of institutional change and institutional capacity. The UFDD was a genuine attempt to overcome the institutional barriers to progressing sustainable development, but inadequate institutional capacity and a lack of understanding of institutional change affected the ability of participants in the initiative to change the institutional landscape to the extent envisaged in the mandate.

The case study allowed for not only the testing and refining of the conceptual frameworks for institutional capacity and institutional change, but also contributed to the development of a set of institutional design principles. Without adequate attention to design, initiatives can suffer from several shortcomings. These include being

overly ambitious and poorly crafted in terms of structure and processes, having ill conceived, and at times, unrealistic time frames in which to deliver the outcomes desired, insufficiently funded and not sufficiently focused on institutional capacity building. Drawing on the case study findings and reviewing the empirical and theoretical material presented in Chapters Two and Three, it is possible to identify a set of institutional design principles. The purpose of this Chapter is to present the principles, test them using the case study (phase two of the case study methodology) and to propose a process to inform the design of multi-agency public sector sustainable development initiatives.

7.2 Developing the Institutional Design Principles

The research question framed for investigation is what constitutes institutional change in the context of progressing sustainable development and what institutional capacity needs to be built to support this institutional change? The purpose of developing the conceptual frameworks for institutional capacity and institutional change was to convey to public sector agencies what constitutes capacity and change. However, based on the empirical and theoretical material presented in Chapters Two and Three and the findings from the case study, it is clear that the task of progressing sustainable development involves more than building knowledge about capacity and change. The context through which sustainable development is being progressed in the public sector is through multi-agency initiatives, such as that chosen for the case study for this research. The way in which these initiatives are designed is critical to the extent to which they can enable institutional change. The concept of institutional design was

introduced in Chapter Two, with Rydin (2002) suggesting that many of the key challenges to advancing sustainable development need to be addressed through institutional design. It is possible to develop a set of institutional design principles, that draw on the conceptual frameworks and other key components of institutional design as discussed in Chapters Two and Three. A core component of this Chapter is to also re-interview some of the key participants from the UFDD initiative to present the principles and test whether they would address issues raised in the original interviews and would be useful in guiding the design of any future joint central government/local government sustainable development initiative.

The section on pathways in Chapter Two (2.3.1) discussed institutional arrangements for advancing sustainable development. Low *et al.* (2005) wrote about the need to reshape institutions in efforts to shift the institutional landscape towards sustainable development. In order to support the reshaping they called for changes in procedures, routines, norms and belief – key components of institutions, as discussed in Chapter Three. As a step towards reshaping institutions, Healey (2007) proposed the use of 'institutional arenas' as being places to explore and test ideas. These 'arenas' are where central and local government can experiment through programmes and projects to determine how to mutually advance sustainable development.

If we take the broad concept of an institutional arena as being a useful way of describing a multi-agency intervention, then the question becomes how to structure the arena. van Bueren and ten Heuvelhof (2005) suggested that in considering institutional arrangements there would be a greater chance of success if the new arrangements respected the institutional context already in existence. They recommended using existing structures, an approach suggested by other authors

including WHAT governance programme (2001), Connor and Dovers (2004) and Low *et al.* (2005), primarily because the participants know what the institutional context looks like and what rules and relationships need to be respected. van Bueren and ten Heuvelhof (2005) contend that this makes it easier for the participants to adjust the arrangements to better suit the institutional context and provides them with an opportunity to reframe the arrangements to their own goals and interests. In saying this, nonetheless there is an assumption that participants acknowledge the need for institutional change to facilitate sustainable development and, significantly, there is sufficient institutional capacity to make the necessary changes.

If it is accepted that there is a need to work with the existing institutional context or landscape, then there needs to be a way of defining and describing this. The new institutionalism theory explored in Chapter Three led to the development of a conceptual framework, the purpose of which is to illustrate the three dimensions of institutions and highlight the importance of making shifts in all dimensions to affect any significant institutional change. In designing sustainable development initiatives, there needs to be an understanding of what participants value [normative], how participants and organisations work [cognitive] and how participants and organisations are organised [regulative]. Participants in the initiative then need to be provided with a framework to help understand the shifts that need to occur in all three dimensions.

Next comes the issue of the purpose and degree of coordination required. Dovers (2005) proposed that for inter-jurisdictional initiatives the purpose of a new initiative would be to increase coordination across the political and administrative boundaries that define jurisdictions. Then the degree of coordination can range from working

within existing institutional entities to that of establishing informational or functional linkages across sectors or jurisdictions, or the establishment of new institutional entities.

An issue related to that of co-ordination is the concept of proto-institutions as proposed by Edelenbos (2005). He considered that there might be a role for a proto-institution, whereby a temporary process is placed alongside existing structures. However, in using a proto-institution approach, it is important to ensure that institutional design includes specific consideration of the ways in which the proto-institution is expected to change the institutional landscape to progress sustainable development.

The OECD (2002c) also suggested that there needed to be specific institutional mechanisms to steer integration if progress was to be made in advancing sustainable development. Consideration of these mechanisms is considered to be another vital aspect for institutional design, and the discussions of processes in Chapter Two provide some guidance on the range of mechanisms that could be utilised. These include the development of networks and partnerships and the use of collaborative processes.

Capacity building is another core element of institutional design. As has been suggested already in previous Chapters, institutional capacity encompasses individual, organisational, relational, and enabling capacities. The institutional capacity framework proposed, tested and refined in this thesis provides a useful tool to inform the design of initiatives. It can be used to determine the capacities that already exist and those needed to be developed to support the implementation of the initiative. The

other important aspect of institutional capacity is that the framework needs to be reviewed on a regular basis as the initiative evolves to ensure that there is sufficient capacity across all four elements (individual, organisational, relational and enabling) to support institutional change. In Chapter Three (section 3.4.2) there was much discussion on the contribution of collaboration to the building of institutional capacity. In this context collaboration is not only a core process for advancing sustainable development, it is also a key method to help build capacity across all four elements of institutional capacity. What needs to be recognised and become inherent in the capacity building aspect of institutional design is the value of collaboration in contributing to the building of institutional capacity.

The issue of value brings to the fore another consideration that was raised in the empirical and theoretical literature, as well as through the case study. The ability to measure the impact of some of the more intangible aspects of capacity building, such as networks, knowledge sharing, relationship building and partnerships, continues to be a particular challenge for programmes required to report on progress and demonstrate what has been achieved. What has emerged during the course of this research is the importance of devising ways in which to measure the impact of both the tangible and intangible aspects of initiatives.

The final reflection in this section is on the UFDD initiative case study. As was discussed in Chapter Six, issues around the formation, evolution and operation of the UFDD initiative were to the forefront of concerns expressed by those participants interviewed. The underlying tensions appeared to be a lack of clarity on the purpose and structure, with insufficient consideration given to the processes of how participants and their respective organisations would work together.

It is now possible to draw together the empirical and theoretical material and the findings from the case study to propose some principles to aid central and local government agencies in the design of initiatives that specifically seek to progress sustainable development as a goal for public policy. As will be shown in the following section, it is then possible to test these using the case study and then incorporate the conceptual frameworks for institutional capacity and institutional change with the principles of designing multi-agency interventions in the development of a process to guide the design of multi-agency public sector sustainable development initiatives.

7.3 The Principles Of Institutional Design

What is clear from this research is that designing an intervention that is 'fit for purpose' is critical to its success. Design is a consideration that extends from the conception of an intervention right through to its implementation. This is particularly so for capacity building which requires ongoing attention as the intervention advances. The institutional landscape is also likely to shift, particularly if an initiative is successful in progressing sustainable development, and it is important to regularly reflect on the shifts, particularly in terms of tracking progress and evaluating the success of the intervention in delivering outcomes. The following are seven principles that have been developed to guide the public sector through the successful design and implementation of sustainable development initiatives:

1. Clearly define the purpose of the new 'institutional arena'.

2. Understand the existing institutional landscape and determine the shifts that need to occur for institutional change.

3. Define how much coordination is being sought.

4. Make use of existing institutional structures.

5. Identify the mechanisms to steer integration.

6. Build collective institutional capacity to support institutional change.

7. Determine evaluation methods and measures of success.

Each of these principles is discussed in detail below.

7.3.1 Principle One: Clearly Define the Purpose of the New Institutional Arena

An institutional arena is a place to explore, learn and test new ideas (Healey, 2007). It is important to be clear at the very outset on the reason for the new arena, including drivers and context, and for the goals and aims to be clearly articulated. At the least the purpose should support the notion that progressing sustainable development requires organisations and individuals to think differently about how they interact and the skills and support they need to work together.

Whilst the focus of this research has been on the processes to advance sustainable development, it is important to acknowledge that consideration also needs to be given to what is meant by sustainable development. In the process of defining the purpose of an institutional arena, a definition of what is meant by sustainable development (what is to be sustained, for whom and over what period) needs to be considered in the context of the project. This incorporates issues relating to the content and outcomes of sustainability, as well as the processes that deliver those outcomes.

7.3.2 Principle Two: Understand the Existing Institutional Landscape and Determine the Shifts that Need to Occur for Institutional Change

When designing an intervention it is important to first acknowledge that already an institutional landscape already exists. This landscape comprises people, projects, resources, networks, structures and rules. These aspects of the institutional landscape come with their associated norms and practices. Given our understanding that institutional change will only occur when shifts are made in all three dimensions of institutions – normative, cognitive and regulative. It is crucial that those who are responsible for the design of interventions understand this multi-dimensional requirement. Attention needs to be given to understanding each dimension and what inertia might be present that is inhibiting change.

As a starting point it is necessary to discuss each of the elements of the institutional change framework – shown in Figure Two in Chapter Two and Figure Seven in Chapter Four - that constitute the requirements of the institutional landscape for progressing sustainable development. The next step for those designing multi-agency interventions is to use this as a checklist to reflect on the current institutional

landscape and what elements may already be present and to identify any shifts that need to occur in each dimension. Then it is possible to develop a capacity building plan to develop the necessary institutional capacities – as discussed under Principle Six.

7.3.3 Principle Three: Define How Much Coordination is Sought

Coordination refers to the interactions and relationships that will be part of any intervention. Consideration needs to be given to how decisions will be made, how participants and their organisations will interact, and the extent to which the initiative is attempting to affect change within participating organisations. While the UFDD initiative was guided by the Auckland Sustainable Cities Programme (ASCP) collaboration protocols, there was insufficient consideration given to how participants could infuse the information and ideas from the initiative back into their organisations. This case study finding, along with the empirical and theoretical material presented in this thesis, leads to the proposition that coordination needs to be defined in the design of any initiative.

7.3.4 Principle Four: Make Use of Existing Institutional Structures

Structures in this context refer to cross-organisational working parties, decision-making processes, training programmes, reporting lines and performance reviews. Interventions are more likely to be successful if they utilise existing structures rather than imposing a new set of requirements and structures. The existing structures, as part of the institutional landscape, can be changed as a result of the interactions between the new and the existing. Using existing structures also makes it easier for

participants to adapt the arrangements to their goals and decision-making processes as they are working within familiar structures.

7.3.5 Principle Five: Identify the Mechanisms to Steer Integration

Better integration across the public sector was the mandate for the ASCP, and consequently, the UFDD initiative. There was an apparent lack of specific mechanisms to steer this integration. The collaboration protocols developed could be considered to be a mechanism but this was implicit rather than explicit. A specific mechanism that has been identified in this thesis is the potential use of intrapreneurs and interpreneurs who work within and between organisations. The purpose of these people is to broker relationships, manage projects, facilitate, communicate, inspire, lead and drive change for sustainable development. Other mechanisms to guide integration include collaboration protocols, communication strategies, shared decision-making arrangements and joint funding of projects.

7.3.6 Principle Six: Build Collective Institutional Capacity to Support Institutional Change

The building of institutional capacity is a key proposition in this thesis. The conceptual framework presented in Chapter Five draws on empirical material from Chapter Two, the capacity building literature discussed in Chapter Three, and from the case study, presented in Chapters Four, Five and Six, to propose the idea of collective institutional capacity for progressing sustainable development.

The capacity building models presented in Chapter Two were characterised as a series of inter-related spheres. The purpose of this representation was to stress that focusing on one sphere alone will not lead to significant change and that they need to be

viewed as mutually reinforcing. The models typically started with a small sphere for human resource development, moving out to a larger organisational development sphere and then to the largest sphere, that of institutional development. One interpretation of this model is the dominance given to institutional development – the largest of the spheres. As has been shown through this thesis, efforts to progress sustainable development often focus solely on the building of enabling capacity and relational capacity. This is characterised through changes to the legal and policy environment as well as attempts to establish multi-agency projects and establish working relationships between local and central government. The areas of weakness remain those of building organisational and human resource capacity.

It is therefore proposed to present the framework in another way so that the need to focus equally on all four elements is reinforced and to re-dress the balance of existing representations of institutional capacity. Institutional initiatives that are designed to progress sustainable development need to not only focus on building capacities across the four elements but to understand and support the reinforcing nature of the capacities and to bring them together as much as possible to create collective institutional capacity (see Figure Ten for an illustrative representation). The aim of institutional capacity building should be to build capacities across all four spheres in the development of collective institutional capacity.

The detailed components of each element of collective institutional capacity was presented in Table Five in Chapter Five so is not reproduced here.

Figure Ten   Collective Institutional Capacity

Collective institutional capacity
occurs when four spheres overlap –
and capacity building should support
the convergence of the spheres
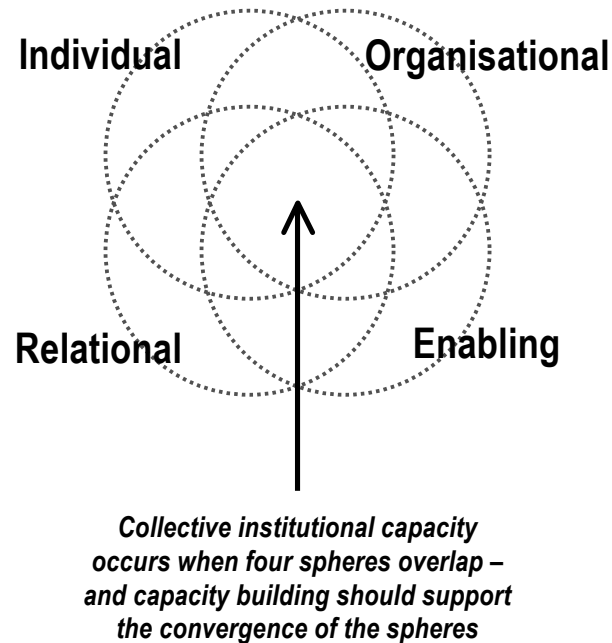
7.3.7 Principle Seven: Determine Evaluation Methods and Measures of Success

The final principle relates to the need to be able to measure the success of initiatives that seek to progress sustainable development. As has been discussed in this thesis, a blend of tangible and intangible aspects drive institutional change for sustainable development. While it may be relatively easy to measure some of these, for others this is a more difficult proposition. The building of an individual's knowledge and networks is hugely important in terms of institutional capacity, but not something that is generally taken into account when determining the success of projects. However, those responsible for initiatives will always ultimately be required to report back to

those who funded the initiative, so building in evaluation as part of the design, including reflections by participants and ways of measuring the ways in which the learnings are being embedded in policy and practice in pursuit of sustainable development, needs to become a core principle of institutional design.

7.4 Testing and Refining the Principles of Institutional Design

As was discussed in Chapter Four, the second phase of the case study was to re-interview a selection of key participants. The findings from these interviews is presented in this section, starting with the reflections from participants of the institutional design principles and finishing with a summary of the implications of the findings for the refinement of the principles. These are then embedded into a design process in Section 7.5.

Central to the questioning with key participants was the relevance and applicability of the institutional design principles developed through this research. In general there was support for the principles and they were considered to be well explained and implementable. When reflecting on the design and implementation of the UFDD initiative, there was a general consensus amongst those interviewed that the lack of ability to engage with the 'authorising environment' impeded the progress that could otherwise have been achieved in shifting practice towards more sustainable urban form, design and development. In relation to the issue of the authorising environment, a senior government official commented *"if we had to do it again we would spend more time engaging with politicians and other decision makers"*. While there was a strong connection formed between officials from central and local

government, this connection was not particularly evident between the decision makers in these organisations. This connects with Principle Two – understand the existing institutional landscape and determine the shifts that need to occur for institutional change. The inability to see the need to engage with the authorising environment suggests a lack of understanding of a core part of the institutional landscape.

However, the more senior officials, in particular those involved in the design of the UFDD initiative, felt that they did have a good understanding of some elements of the institutional landscape, in particular other multi-agency projects and key people with an interest in advancing sustainable development. Of interest is that this work was not made explicit, often for reasons of not wanting to upset people because existing projects were not seen as effective. This does suggest a lack of honesty, trust and openness, factors which were identified in Chapter Two as being particularly important given that advancing sustainable development would require organisations to work together.

The senior officials who were responsible for designing the UFDD initiative considered that they were very clear on the purpose of the institutional arena – "*to make a difference and to learn*" (senior government official). Amongst other participants in the UFDD initiative there was lack of clarity about the purpose. Some felt they were asked to participate by their organisation but did so without a clear understanding of the purpose of the initiative nor what it hoped to achieve. This contrasted with comments by one of the co-leaders and the project manager who both suggested that a particular strength of the UFDD initiative was that it was able to clearly identify the problem that it sought to solve. This does indicate confusion

regarding the purpose of the institutional arena (Principle One), supporting the need for this to be well articulated and communicated.

The extent of coordination that was envisaged appears to be limited to individuals from participating organisations getting together to share information and resources. While this was made clear, so in essence the extent of coordination was defined (Principle Three), it would appear from the interviews that this was not sufficient to drive any institutional change. Related to this was the issue raised in the interviews that participants lacked the mechanisms (Principle Five) or support to infuse learnings back to their own organisation. While the project manager, referred to as the '*go-to*' person by one senior local government officials, was able to support integration between those individuals who participated (at the inter-organisational, or relational level), there were insufficient mechanisms at the organisational level.

The issue of mechanisms to steer integration (Principle Five) was discussed in the interviews, with some suggesting that mechanisms to incentivise the authorising environment to participate would have been valuable. This included ensuring commitment to the multi-agency initiative in performance agreements, making them part of bonus structures and ensuring that job descriptions included active participation and engagement as an element of roles.

In terms of using existing structures (Principle Four), those being interviewed did reinforce the decision to use existing decision-making structures and communication protocols within participating organisations as an indication of implementation of that particular principle. And as mentioned above, those responsible for designing the UFDD initiative did suggest that they were aware of other existing structures, in

particular other inter-agency initiatives, but made the decision to not use these. The reasons for this were not shared openly so there was some criticism of this. As has already been stated, a key element of supporting multi-agency initiatives is openness and honesty, so if a decision is made not to use an existing structure then the reasons for this should be shared with participating organisations.

When the institutional capacity conceptual framework was presented in the interviews there was acknowledgement of the failings of the UFDD initiative in terms of building of collective institutional capacity (Principle Six). This failing was primarily focused around organisational and enabling capacities. Some of those interviewed considered it would have been useful for them to have access to some mechanisms to allow them to help "*infiltrate and influence participating organisations*" (senior local government official). In relation to enabling capacity, the issue of inclusion of engagement and participation into job descriptions, performance agreements and bonus structures, as well as providing sufficient resourcing and funding for the period of the initiative, were considered important components of enabling capacity. One senior local government official noted *"good ideas need to be funded for the long-term"*.

An area of weakness identified through these interviews, as well as in the phase one interviews, was that of evaluation and identification of learnings. The difficulty with grasping learnings was considered to be an area that required improvement. Evaluation and reflection need to be built into projects from the beginning and recognised as being critical elements of projects. With the UFDD initiative there was some tension between specific projects (tangible outputs) and process (somewhat intangible), with the thinking at the beginning of the UFDD initiative that these were

mutually exclusive. However on reflection, some of those interviewed suggested that it was possible, and in fact necessary to have both. The projects are important in terms of demonstrating, particularly to the authorising environment, that something is happening but it is important to see these within the context of advancing sustainable development, rather than being an end in themselves. The process then becomes important as it sets the path that the project should follow to deliver change and achieve the outcomes being sought.

A summary of the key findings from the interviews is presented in Table Six. This table includes an analysis of the findings from phase-one of the case study presented in Chapter Four, Five and Six.

The key participants interviewed as part of phase-two of the case study did consider that the institutional design principles were clear and implementable, and their application in the design of future multi-agency public sector sustainable development initiatives would assist in ensuring that they were able to deliver institutional change for sustainable development.

A final thought articulated by a senior local government official is that *"good people working together can overcome poor design"*. The UFDD initiative involved participants who also had a high level of social capital and this provided them with an environment that made people receptive to ideas. The challenge then becomes how to convert the rhetoric into sustained and ongoing change.

Table Six   **Findings from Phase-Two Interviews with UFDD Initiative Key Participants**

Proposed Principles of Institutional Design	Reflection on UFDD material from Chapters 4 + 5 + 6	Feedback from Follow-up Interviews
Principle One Clearly define the purpose of the new institutional arena	Participants were not particularly clear – it differed on level of seniority. But main issue is that many participants did not know – so issue of communication at play	While those who designed it were clear on purpose – make a difference and learn - many of the participants were not – this comes back to issue of communication
Principle Two Understand the existing institutional landscape and determine the shifts that need to occur for institutional change	There was a clear inability to engage with politicians and some senior decision-makers – the importance of this was not well understood initially but became obvious as the initiative progressed	One of the original 'designers' of the ASCP + UFDD said there was quite a lot of work done on this aspect, particularly around existing multi-agency structures/projects – but that much of this was kept to themselves so not to upset people or organisations The importance of engaging with the 'authorising environment' – those empowered to make decisions – was raised as being critical
Principle Three Define how much coordination is sought	Decided they did not want to add another layer of bureaucracy so left decision-making to each organisation – not always successful, partly due to lack of attention to engaging with authorizing environment	The issue of coordination appears to be more implicit than explicit – left to those participating to figure out
Principle Four Make use of existing structures	Used existing decision-making structures and communication protocols of each participating organisation Some felt UFDD was a new structure and ignored existing structures	Evidence that they wanted to work with existing structures but this was more organisational structures – decision-making and communications – than institutional structures including existing cross-agency initiatives and relationships. It was still not clear to some on why existing structures were not used – perhaps the 'designers' needed to be more open about why not. Indicates a lack of trust and openness – important conditions for any multi-agency initiative

Continued over…

Table Six continued…

Proposed Principles of Institutional Design	Reflection on UFDD material from Chapters 4 + 5 + 6	Feedback from Follow-up Interviews
Principle Five Identify mechanisms needed to steer integration	The only apparent mechanisms were the collaboration protocols and the project manager for the UFDD initiative.	The need for better mechanisms, particularly to help participants influence their own organisation, was reinforced. The role of interpreneurs and intrapreneurs appealed to those interviewed. The importance of including engagement and participation in multi-agency initiatives as part of performance agreements of individuals, particularly senior management, was highlighted.
Build collective institutional capacity to support institutional change	There was limited attention to this, with capacity mainly being built around individual and relational capacity. The lack of focus on organisational and enabling capacities appears to have hindered the success of the UFDD initiative.	Interviewees acknowledge the failings to do this – particularly around organisational capacity The importance of funding and resourcing a critical part of enabling environment was noted, as well as incentivisation of decision-makers to engage and participate.
Determine evaluation methods and measures of success	There appears to be limited attention to this until towards end of initiative	Those interviewed understand the critical role this plays and would like to see more attention paid to it early on in the process

In addition to the reflection of key participants on the institutional design principles, a key theme that emerged from the interviews was the need to show the institutional design principles as a process rather than a static set of principles. It was considered that there was an inherent order in the principles, in that some came first and were sequential, and others had a more temporal element and needed to be shown as such. Another important point from the interviews is that the institutional design principles are applied at the point at which it is identified that institutional change is needed and a decision is made to initiate a multi-agency initiative. As one participant suggested

"*what is being designed is a process to get better results*" (senior local government official).

The findings from both phase-one and phase-two of the case study, and the material from Chapters Two and Three can now be combined in the development of a process of design for multi-agency public sector sustainable development initiatives.

7.5   A Design Process to Enable Multi-Agency Initiatives to Advance Institutional Change for Sustainable Development

What constitutes institutional change for sustainable development and what institutional capacity needs to be built to support this institutional change has been the question this thesis has sought to answer.   The focus in the early Chapters was to analyse the empirical and theoretical material in order to develop specific conceptual frameworks for institutional capacity and institutional change.   The intention in approaching the research in this way was to provide practitioners tasked with advancing sustainable development as a public policy goal with some tools to help them understand the components of institutional change and the contribution of institutional capacity as an enabler of change.   While it was possible to refine the conceptual frameworks through their application and testing on a case study, it became evident that practitioners also needed to develop a greater understanding of issues of institutional design.   This led to the development of the institutional design principles and the testing of these above.

Through this research the way in which the research question is being answered has evolved from frameworks to principles to process design, with the purpose of this section being to present a process of designing and implementing multi-agency sustainable development initiatives so they are able to support institutional change for sustainable development.

In Chapter One it was suggested that sustainable development is a process of evolutionary change, incorporating new ways of thinking, of working and of making decisions. Building on that definition the institutional design principles developed in this Chapter, and the institutional capacity and change conceptual frameworks developed in Chapters Five and Six, can be brought together in the design of a process to advance institutional change from multi-agency sustainable development initiatives. This process is shown in Figure Eleven below. In addition to the principles and the conceptual frameworks, there are some other key elements to the process. The context within which the initiative is designed and implemented is important, particularly the operating period.

Some of the principles need to be considered at t_1, while others are relevant for the whole operating period t_1 to t_n. In addition, t_1 indicates the point at which the need for institutional change is identified and a decision is made to establish a multi-agency sustainable development initiative. The context also includes the expectation that at t_n there will be shifts in each dimension of institutions and demonstrable institutional change as a result. The principles are then placed within this context, as shown in Figure Eleven.

Figure Eleven   The Design Process to Advance Sustainable Development Using Multi-Agency Initiatives

Context

t_1 —— t_n

The operating period for an initiative

The need for institutional change is identified. This leads to the decision to set up a multi-agency sustainable development initiative. Use the principles below to design and implement.

The expectation should be to see shifts in all three dimensions of institutions [N-C-R] in order to demonstrate institutional change

Principles

t_1

One
Clearly define the purpose of the new institutional arena – clarity on reason and articulation of goals and aims. Once this is done then it is possible to consider the other principles.

⇓

Two
Understand the existing Institutional landscape – people, projects, resources, networks, structures and roles- and determine the shifts needed in each dimension of institutions and identify current inertia.

⇓

Three
Define how much coordination is being be sought
Four
Make use of existing structures
Five
Identify the mechanisms to steer integration – including intrapreneurs and interpreneurs

$t_1 - t_n$

Six
Build collective institutional capacity to support institutional change – individual + organisational + relational + enabling.
Seven
Determine evaluation methods and measures of success.

Conditions
Engagement and buy-in of decision-makers + resourcing + communication + regular reflections on progress and learnings + openness + trust

As well as the context and principles, there are some conditions that support the progressing of sustainable development through the process. These include engagement with, and buy-in from decision-makers, including politicians and senior officials at both central and local government level. Not only do they need to engage within their own organisation, but they need to be engaging with their peers at other participating organisations.

The initiatives also need to be adequately resourced with open and clear communication being a core attribute. And reflection and evaluation needs to be built into the process from t_1 to t_n, with learnings identified and used to inform the initiative as it goes forward. The other critical condition is that of openness and trust.

The design process presented in this Chapter draws together all the material from this research in the proposition that in order to progress sustainable development as a public policy goal, in particular through multi-agency projects, there are some principles of institutional design, incorporating the conceptual frameworks for institutional capacity and institutional change, that sit within a context and a set of conditions. The intention is that this design process will inform the design and implementation of future multi-agency initiatives that are seeking to achieve institutional change of some kind. As was stated in Chapter One, this thesis contends that one contributing factor to the slower than anticipated progress with sustainable development is the lack of knowledge about institutional capacity and institutional change by those in the key agencies tasked with implementing sustainable development. The conceptual frameworks developed through this thesis, in conjunction with the institutional design principles and the design process, are

intended to fill that knowledge gap and in doing so be a unique contribution to knowledge.

Chapter Eight

The Institutional Imperative: A Key to Progressing Sustainable Development

8.1 Introduction

This thesis set out to answer the question *what constitutes institutional change in the context of progressing sustainable development and what institutional capacity needs to be built to support this institutional change?* The intention of this research was to address an identified gap that existed in the understanding of institutional capacity and change, and the role these play is enabling agencies to shift practice for specific purposes that could assist achievement of sustainable development. The purpose of this Chapter is to reflect on the objectives of the research, identify contributions and consider further research that may contribute to, and shape, practice.

8.2 Research Intentions

Sustainable development, as a public policy goal, has been described in this thesis as a process of change rather than some definable end point. The focus on the need for change comes from an acknowledgement that, while many countries committed

themselves to progressing sustainable development at the Rio Earth Summit in 1992, little progress was made in the decade that followed. This lack of progress was considered to be primarily due to insufficient understanding of what constitutes institutional change to advance the goals negotiated at the Earth Summit. While the institutional challenges have been identified and acknowledged in this thesis, the research has sought to develop some tools to assist practitioners to become more familiar with the elements of institutional change and ways of enabling change through capacity building. In order to achieve this, the thesis set out to develop a deeper understanding of what constitutes institutional change for sustainable development by developing conceptual frameworks to illustrate the multi-dimensional nature of both change and capacity, institutional design principles to provide a mechanism to implement the conceptual frameworks and finally to propose a design process that embeds all the research developed through this thesis.

The empirical literature reviewed in Chapter Two identified the institutional hurdles to progressing sustainable development and explored the emerging responses and approaches to overcoming these. Considering both the international and New Zealand literature, the responses were grouped into the three broad themes of participants, processes and pathways in an attempt to explore in more detail the complexity and breadth of actions considered necessary to shift practice, particularly amongst central and local government agencies that have a crucial role to play in this area. Through the analysis of emerging practice it was possible to identify issues of governance and institutional arrangements, a range of processes that supported better working practices between public agencies, as well as the skills, knowledge and attributes needed by participants who were involved in sustainable development initiatives.

The new institutionalism and capacity building literature provided the context through which to start articulating and developing the elements of institutional change. The theoretical literature also assisted in identifying and developing the aspects of institutional capacity that enable the requisite changes. This collectively led to the development of two conceptual frameworks – the institutional change framework and the institutional capacity framework – which were tested and refined using the Urban Form, Design and Development (UFDD) case study.

The development of the first conceptual framework addressed one part of the central research question *what constitutes institutional change in the context of progressing sustainable development*. Institutional change will only occur if shifts are made in what people value, how they work and how they are organised. So often the focus of sustainable development initiatives is on developing policy, amending regulation or undertaking multi-agency projects. These actions in themselves are insufficient to guide institutional change. People involved in the initiatives need to understand the significance and impact that existing norms, values and working arrangements have on their ability to shift practice in order to advance public policy goals.

It is a proposition of this thesis that an integrated and holistic approach to institutional change, developed through this research and conveyed in the institutional change conceptual framework, could be utilised by practitioners in the public sector to shape and shift practice. The framework may be used as a tool to assist with a deeper understanding of the elements of change and provide the knowledge to better equip practitioners to guide change.

The second part of the central research question asked *what institutional capacity needs to be built to support institutional change.* The institutional capacity conceptual framework combines material from the theoretical and empirical literature and case study into the proposition that institutional capacity comprises individual, organisational, relational and enabling capacities. This research has led to greater clarity on the inter-connected nature of institutional capacity and the range of capacities that need to be developed and supported to progress sustainable development as a public policy goal. The institutional capacity framework is a tool that could assist central and local government to gain a more detailed understanding of the inter-connected nature of capacity and the capacity building requirements for multi-agency interventions.

The intention of this research was then to illustrate how these conceptual frameworks could support multi-agency sustainable development initiatives in driving institutional change, which led to the development of the institutional design principles and the subsequent embedding of these in a design process.

8.3 Contributions

The research process has enabled the articulation of design process to guide those who are responsible for designing multi-agency interventions as part of efforts by public agencies to progress sustainable development as a public policy goal. The design process seeks to give practical expression to the complex issues of capacity and change in ways that are able to inform practice. What appears to be missing from

practice at present is an awareness of the importance of design when establishing multi-agency interventions. When this is added with a lack of understanding of institutional capacity and change, it is likely that the intervention will fail in any attempt to shift practice. There can be a tendency to undervalue the design phase as practitioners do not generally know to think about the issues that form the design principles developed through this research. The design process, and the principles embedding in this process, highlight the importance of understanding the existing institutional landscape, and how to work with existing institutional structures; the need to be clear on the purpose of the new institutional arena, the extent of coordination sought from participating agencies, and the mechanisms that will be used to guide integration; and of course, the need to build collective institutional capacity to support the changes in practice that will enable agencies to advance the sustainable development agenda.

In reflecting on change it is apparent that it is ongoing and constant, and interventions that seek to enable change are often operating in dynamic environments where it can be difficult and challenging to embed change. This makes the research context complex yet of critical importance to guide and shift practice to support the outcomes being sought from sustainable development initiatives.

8.4 Issuing a Challenge for the Planning Profession

The challenge continues to be that of raising awareness of the importance of understanding the institutional context and providing knowledge on institutional

capacity and change to practitioners in the public sector to support them in their role of advancing sustainable development as a goal for public policy. This is a challenge that the planning profession should have high on their agenda and should be actively championing. Freeman (2004:309-310) suggests that *"planners can act as intermediaries in the sustainable development process, helping to facilitate and realize implementation"* and that planners are *"broad in their thinking, they work within the frameworks that encompass both environmental and social and economic well-being, and are experienced at working across sectors.* This view is supported by Low (2005) who suggests that planning as a profession has always had the ability to draw on a wide range of professional and academic skills, which makes planners well placed to facilitate multi-disciplinary processes and draw in skills as the need requires. Planners should be able to use their skills in participation to mobilise collective action (Gleeson and Low, 2000).

The uniqueness for planners, and what makes them ideal to be leading work in this area, is their ability to work collaboratively with a range of professions and to synthesise multi-disciplinary perspectives. In effect planners could embrace the roles of interpreneurs and intrapreneurs in ensuring they are well positioned to understand, contribute to and lead processes of change that support sustainable development.

We live in a rapidly changing world – economically, ecologically and socially. At a time when there are unprecedented changes going on all around, particularly at a global scale with the responses to climate change being negotiated in the international arena, the conditions in which professionals work are likely to continue to be complex and challenging. Shifting policy goals and the continued challenges with

implementation mean that planners will need perseverance and determination, and it is hoped that this research will go some way to support them with the tasks that lay ahead.

8.5 Future Research

In taking this research forward, an obvious next stage would be to design and implement a multi-agency intervention based on the design process developed through this thesis, and to conduct further research over the timeframe of the intervention. This approach would allow further testing and refining of the principles for design multi-agency interventions, contribute to a deeper understanding of ways in which to enable institutional change, and provide an opportunity to consider in more detail how to embed change so that it endures over time. One observation from this thesis is that participants in multi-agency interventions are not generally provided with the opportunity to reflect on actions and outcomes while a project is underway. Current practice suggests that reflections are not given any attention until towards the end of the project. Further research could focus on determining the most effective ways to capture and share learnings with the intention of embedding these within institutional norms and values, working practices and organisational and governance structures. This research is likely to be challenging, not the least because of the dynamic environment through which change occurs, often characterised by a mobile workforce and shifting policy priorities. However, the research could be a valuable contribution to supporting the shifts in practice and policy that are a core part of the task of progressing sustainable development.

Appendix One: Phase One Interview Questions for Case Study

Part 1: Introductory questions
Tell me about the role you play in your organisation? Where do you fit in the organisational structure? Tell me about the work you are involved in with the UFDD work strand? How long have you been involved in the UFDD work strand? How did you get involved initially? Are others from your organisation involved?
Part 2: Themes and prompts
The themes to be discussed include: • the process of establishing the UFDD work strand • the challenges of implementing sustainable development • what is sustainable urban form, design and development • changing embedded processes of urban form, design and development • working collaboratively Note: The participants in the interviews will range from those involved in the establishment of UFDD and those involved in the work strand. The selection of themes to discuss will depend on their role in UFDD.
I am interested in understanding more about how UFDD was established. I know a little about the establishment of the Auckland Sustainable Cities Programme but am particularly interested in understanding more about UFDD as a work programme intended to implement sustainable development. • why was UFDD set up? • what was the intended purpose of the work strand? • how were organisations in the work strand selected?

- how were participants from the organisations selected to participate in the work strand?

- what challenges were perceived as potential barriers to UFDD being successful?

- how were these addressed in the set up and operation of UFDD?

- how were the projects selected for inclusion in UFDD? What were the selection criteria?

- what did you expect to see changed at the end of the three years of UFDD?

- what governance structures were set up to support UFDD? i.e. decision-making and policy-making processes?

The implementation of sustainable development is considered by many to be a major challenge. This is supported by both international and national literature.

- what do you think the challenges to implementing sustainable development are?

- what changes do you think are needed in New Zealand to implement sustainable development? (prompt – human resource capacity, organisational capacity, institutional capacity etc.)

The objective of UFDD is to encourage, promote and guide more sustainable urban form, design and development in the Auckland region, including building design, location and construction.

- What do you think are the key components of sustainable urban form, design and development?

- How does it encompass the four sustainabilities – cultural, economic, social and environmental – which are integral to sustainable development?

- Do you think all those involved in UFDD share a similar view on what UFDD are trying to achieve?

- When there were disagreements about the outcome, how were the issues resolved?

- What have you learnt as a result of being involved in UFDD?

• Has involvement in UFDD changed the way you understand how to implement sustainable development?

In UFDD documents I have been reading there is a recognition that some of the factors which may hinder the project are the "complex and embedded processes of urban form, design and development"

- What do you think the embedded processes are? What will it take to change existing practice in line with the ideas being promoted by UFDD? (prompt: embedded means that existing ways of doing things are well established and may be difficult to change)

- In your experience what do you think are the key factors necessary to effect the kind of change needed to change embedded processes?

- How did UFDD intend to tackle this issue? Did it do it well? What could it have done better?

Another issue raised in the UFDD documentation is that it is a long term challenge to effect any substantial change.

- When you got involved in the work strand what did you anticipate the challenges (both long term and short term) to be? Were these in fact the challenges you found? What other challenges presented themselves?

- What changes have you seen since you have been involved in UFDD? (prompts – skill changes, organisational changes, regulatory changes, political changes, changes in focus of work, review of original assumptions etc.)

- What changes do you think are necessary to further progress the implementation of the ideas being promoted by UFDD?

- Given that the UFDD work strand was only funded for three years, what impact do you think this will have on addressing the long term challenge issue?

- I also note working in such a rapidly evolving field as urban form design and development is considered to be a challenge.

- What do you think the challenges of addressing rapid change are?

- How has UFDD dealt with the challenges?

- What else needs to be done to progress the goals of UFDD?

- What has UFDD done well to address the challenge of a rapidly evolving field?

- What more should have been done? Why were these things not done?

- How is UFDD keeping up with the information to support the evolving nature of the field?

- Do you consider what UFDD is doing is keeping up with what could be considered best practice, both nationally and internationally?

One of the key ideas behind the establishment of the Auckland Sustainable Cities Programme was to determine ways of central and local government working together and establishing a good working relationship between the two levels of government.

- How have you found the experience of being involved in UFDD in respect of local and central government relationships?

- Has it changed the way you work at all? In what ways?

- Where there any processes in place to manage the process of working together? (prompt – collaboration protocols). What were the purpose of these? Have you had to use them? What value did they add? Where they useful? Were they successful in achieving effective collaboration?

- Do you find that your working relationship with central/local government has changed as a result of UFDD? In what ways? or Why not?

A key outcome for UFDD is increased knowledge, understanding and buy-in to sustainable urban form, design and development.

- What do you think are the indicators of this happening?

- How successful do you think UFDD has been in achieving this outcome?

- What more could or should be done?

I am particularly interested in how decisions are made around the implementation of sustainable development. Adaptive governance is an area I am researching in order to understand how our governance processes can react to the complexity of decisions required to implement sustainable development, as well as the rapidly evolving nature

of the field. An example of the complexity issue could be that making a decision in one area, such as economic, may have an undesired impact on the social aspects. And for clarification I am defining governance to means processes of policy-making and decision-making as conducted by government and non-government players.

- What are the decision-making processes of UFDD? How are decisions made about strategic issues such as the focus of the work strand, as well as specific work areas where UFDD is wanting to see real action on the ground, such as construction of sustainable public buildings for example?

- UFDD in itself may not be the decision-making body, but what has it done in order to influence decisions taken by others? What initiatives were successful? What could be done better?

- How are decisions being made on public investment in sustainable urban form and function by local government and central government?

- Have you seen the decision-making processes change at all to deal with the complexity of sustainable development? In what way? or Why not?

- In your opinion, how might the decision-making and policy making processes need to change if we are to move towards more sustainable urban form, design and development?

In closing I would like you to comment briefly on whether you think that current institutional arrangements are sufficient to ensure that sustainable development is fully adopted as a guiding principle in public policy. If not, why not?

Appendix Two: Phase Two Interview Guideline for Case Study

Context

The task of converting the rhetoric of sustainable development to real action and change is one that poses significant challenges for local and central government agencies. The complexity of this task is compounded by the increasing acceptance that the impediments to advancing the sustainable development agenda are largely institutional. The basis for my research was the view that unless explicit consideration is given to understanding institutional change for sustainable development and the ways in which it can be enabled, little progress is likely to be made.

This research has drawn on an analysis of empirical material relating to the institutional issues associated with advancing sustainable development, been informed by the theoretical perspectives provided by new institutionalism and capacity building, and then tested and refined using the Urban Form, Design and Development [UFDD] initiative. This has resulted in the development of a series of principles. The purpose of these principles is to inform the design of any multi-agency initiative that seeks to advance sustainable development as a core part of public policy.

I have been informed that in order to strengthen my PhD it would be worthwhile to present these principles to a selection of those people I interviewed as part of the case study component of the research [empirical verification]. The purpose of this is to get your input into whether the application of the principles would have addressed some of the issues raised during the interviews in 2006, how the UFDD case study may have been different/better if the principles were applied and whether the principles could be usefully applied to the design of future multi-agency initiatives that specifically seek to advance sustainable development. This feedback will be invaluable in determining the final shape of my PhD and in presenting a thorough and unique contribution to knowledge.

Summary of research

Through the empirical and theoretical literature two frameworks/principles were proposed. The first is an institutional capacity framework that illustrates the integrated nature of capacity building and suggests that for an initiative to be successful in enabling institutional change then capacity needs to be built in four areas – individual, organisational, relational and enabling. Individuals [individual capacity] need particular skills, attributes and knowledge; within organisations [organisational capacity] there needs to be integration, trust, partnerships, good communication, networking and collaboration; similarly between organisations [relational capacity] there needs to be integration, trust, partnerships, good communication, networking and collaboration; and legal and policy changes [enabling environment] are needed to support integrative and collective processes within and between organisations, and to recognise and support individuals with the required skills, attributes and knowledge.

The second is a set of principles relating to institutional change. In order for institutional change to occur there needs to be shifts in three dimensions of institutions – regulative, cognitive and normative. The regulative dimension refers to the capacity to mobilise [in effect, how we are organised], the cognitive dimension refers to relational resources [how we work] and the normative dimension refers to knowledge resources [what we value]. In essence, individuals need to understand and value the need for institutional change for sustainable development and place value on the processes that support change, such as collaboration and integration and the skills to support change, such as facilitation, communication and brokering [normative]. In turn organisations and individuals need to be provided with frameworks to work within that support integration, the development of partnerships, the formation and functioning of networks and collaborative processes [cognitive]. And then law and policy and organisational forms need to legitimise news ways of working and individuals need to be recognized and nurtured through recruitment and retention practices [regulative]. These shifts are facilitated by the building of the necessary institutional capacity – as identified in the institutional capacity framework.

The observations from the analysis of the UFDD case study suggest a number of things:

1. The focus of capacity building appears to have been on strengthening the relationship between local and central government [relational capacity] – and it was successful at doing that.

2. Through the project there was an element of the building of individual capacity, mainly focused on knowledge rather than any explicit attempts to develop the range of attributes and skills identified in the institutional capacity framework. Having said that, many of those interviewed acknowledge the importance of skills such as relationship management, communication, facilitation and brokering, and did consider some of these to be present amongst participants in the UFDD initiative.

3. One of the most significant gaps in the UFDD initiative was the building of the organisational capacity to support the achievement of outcomes being sought. This particularly related to the lack of involvement of local government politicians. Another issue identified was the lack of vertical integration within participating organisations, and lack of communication amongst the individuals that participated in UFDD and others in their organisation, where involvement by an individual in the UFDD initiative did not by and large get integrated or fully inform the rest of an organisation.

4. The provision of funding by the Ministry for the Environment for a project manager was considered to contribute to enabling capacity. Some participants felt that participation on UFDD was not valued well by their organisation, so was not adequately prioritized in their work programmes. There appears to be little explicit attention paid to understanding more about the culture and willingness of the participating organisations to get involved in the multi-agency initiative.

5. The UFDD initiative in itself can be considered to be the framework that supported shifts in the cognitive dimension. The initiative attempted, through its projects, to support and foster integration and partnerships. However,

given the timeframe for the initiative, the extent to which it could contribute to meaningful and sustained change is somewhat limited.

6. There was no explicit discussion of institutional change amongst participants, nor an attempt to fully understand the perspective of participating individuals. This was evidenced by concerns expressed by participants on the way in which the initiative was designed, the selection of participants, the integration of the work of UFDD with existing work programmes and organisational structures, and the identification of projects.

7. Evidence of shifts in the regulative dimension were largely limited to changes to the Local Government Act which gave provision for local and central government to work more together.

Whilst it was possible to contribute to the development of both frameworks through analysis of the case study, the importance of institutional design also became evident. In the absence of a well-designed initiative, efforts to build institutional capacity and consequently guide institutional change for sustainable development will not be as effective at they might otherwise be. The result of this observation was the development of some principles for the design of initiatives that specifically seek to progress sustainable development as a key public policy goal. These principles draw on the empirical and theoretical literature and the findings from the case study.

Principles

In essence the principles include that the design of new initiatives: takes account of the institutional landscape that already exists; make as much use of existing structures as possible; are clear on the purpose of the initiative; specify the extent of coordination sought between agencies; identify specific mechanisms to steer integration; identify and seek to build the institutional capacities required to enable and support institutional change; and determine evaluation and measures of success when designing the initiative.

Understand the Institutional Landscape that Already Exists

When designing an intervention it is important to first acknowledge that already an institutional landscape already exists. This landscape comprises people, projects,

resources, networks, structures and rules. These aspects of the institutional landscape come with their associated norms and practices. Given our understanding that institutional change will only occur when shifts are made in all three dimensions of institutions – normative, cognitive and regulative - it is crucial that those who are responsible for the design of interventions understand this multi-dimensional requirement. Attention needs to be given to understanding each dimension and what inertia might be present that is inhibiting change.

Make Use of Existing Structures

Structures in this context refer to organisational arrangements, such as cross-organisational working parties, decision-making processes, training programmes, reporting lines and performance reviews. Interventions are more likely to be successful if they utilize existing structures rather than imposing a new set of requirements and structures. The existing structures, as part of the institutional landscape, can be changed as a result of the interactions between the new and the existing. Using existing structures also makes it easier for participants to adapt the arrangements to their goals and decision-making processes as they are working within familiar structures.

Be Clear on the Purpose of the New Institutional Arena

An institutional arena is a place to explore, learn and test new ideas. It is important to be clear on the reason for the new arenas and for the goals and aims to be clearly articulated. At the least the purpose should support the notion that progressing sustainable development requires organisations and individuals to think differently about how they interact and the skills and support they need to work together.

Define How Much Coordination is Sought

Coordination refers to the interactions and relationships that will be part of any intervention. Consideration needs to be given to how decisions will be made, how participants and their organisations will interact, and the extent to which the initiative is attempting to affect change within participating organisations.

Identify Mechanisms Needed to Steer Integration

A specific mechanism that has been identified in this thesis is the potential use of intrapreneurs and interpreneurs who work within and between organisations. The purpose of these people is to broker relationships, manage projects, facilitate, communicate, inspire, lead and drive change for sustainable development. Other mechanisms to guide integration include collaboration protocols, communication strategies, shared decision-making arrangements and joint funding of projects.

Build Collective Institutional Capacity to Support Institutional Change

The building of institutional capacity is a key proposition in this thesis. Institutional initiatives that are designed to progress sustainable development need to not only focus on building capacities across the four elements – individual, organisational, relational and enabling - but to understand and support the reinforcing nature of the capacities and to bring them together as much as possible to create collective institutional capacity

Determine Evaluation Methods and Measures of Success

The final principle relates to the need to be able to measure the success of initiatives that seek to progress sustainable development. Those responsible for initiatives will always ultimately be required to report back to those who funded the initiative, so building in evaluation as part of the design, including reflections by participants and ways of measuring the ways in which the learnings are being embedded in policy and practice in pursuit of sustainable development, needs to become a core principle of institutional design.

Questions

Through this thesis it has been possible to identify the shifts required in terms of institutions in order to progress sustainable development, as well as the contribution of the building of institutional capacity in facilitating institutional change for sustainable development. It is the contention of this thesis that a well-designed initiative, drawing on the principles developed through this research, will contribute to overcoming the institutional impediments to progressing sustainable development as a key public policy goal.

So the focus of the following questions is on the extent to which the principles are useful in thinking about, firstly, how the UFDD initiative was designed and whether implementation of the principles in the design phase may have addressed some of the issues identified through the interviews with key participants and the institutional impediments that exist/ed; and secondly, their usefulness in informing the design of future initiatives.

Questions for discussion:

1. In reflecting back on the beginning of the UFDD initiative, to what extent do you think the issues covered in the principles were addressed explicitly?

2. Are the principles clear and implementable?

3. If you were to design UFDD again, what would you do differently, drawing on the principles to shape your ideas?

4. Could you see these principles being of value to inform and shape the way in which future multi-agency initiatives are designed?

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