A Case Study

**Using Cooperative Capacity
to Build Program Performance**

Cooperative Capacity Partners
Measuring Cooperation, Partnership & Effectiveness

www.cooperativecapacity.com

Introduction

In our experience, few people care about management and capacity and other abstractions, especially when described in the jargon of organizational development theory. And no one initiates organizational change efforts just for the sake of change; always, the goal of organizational change is to improve performance. Thus, we present this case study in two parts:

1. Summary: In the next few pages, we summarize the situation that resulted in Cooperative Capacity Partners (CCP) being invited in to help an international program, the changes the program made (with and without CCP's help), and the resulting improvement in performance.

2. Case study: Then we present a fuller case study, and tell it as a story.

Summary: Using Cooperative Capacity to Build Program Performance

The goal of the program was to demonstrate the feasibility of preserving a peat forest while at the same time supporting the social and economic development of the local population. This required researching and developing mechanisms to implement an approach called Reducing Emissions from Deforestation and forest Degradation Plus forest preservation (REDD+). The key activities of the program were to:

- Assist the Indonesian Government in establishing a national carbon accounting system (capacity building)

- Identify measures and protocols for measuring green house gas emissions from peat swamp forests (research)

- Create estimates of green house gas emissions if business as usual continued in the project area (research to quantify politically negotiated estimates)

- Demonstrate an approach to reduce green house gas emissions from peat bogs by stopping drainage, re-wetting denuded peat swamp forests (though canal blocking and re-establishment of some forest area), and by reducing the incidence of fire outbreaks (behavior change)

- Identify, develop, and initiate village level institutions and mechanisms for implementing REDD+ activities and managing the distribution of benefits and income from reducing emissions (development and begin transition to a local area market mechanism for carbon credits)

- Initiate livelihoods projects in all villages in the area that a) did not appreciably increase green house gas emissions and b) generated income as a substitute for exploiting the peat swamp forest before REDD+ during the demonstration (development)

For the purpose of this discussion, the reader does not need an understanding of REDD+ or how all this all fits together to demonstrate REDD+. At this point we ask the reader to accept that these were the central activities around which the program was designed. In this summary, our emphasis is how improving cooperative capacity can dramatically improve the performance of any international program.

When, after one year of design work and two years of implementation, CCP was invited into the program, the program was far from meeting its goals, in particular:

- The work to help the Indonesian government to establish a national carbon accounting system had ground to a halt and was about to be abandoned.

- Data collection for much of the research had taken place, but the program was distributing no information. Publication of research documents were held up, requests for information were not being met, and the program, the biggest REDD+ demonstration in the country, did not have a website.

- Canal blocking activities had been delayed and were behind schedule, as were responses to help the area reduce fires.

- Reforestation efforts were underway, but facing setbacks such as burning and flooding of nurseries and planted areas.

- Village institutions to manage REDD+ were being developed and were beginning to function, yet relations with a number of communities was poor, and with one community, in particular, damaged beyond repair.

- The livelihoods program had bogged down and the major livelihood initiative, which promised benefits to every family in the project area, had been postponed for one year, and was behind schedule for the upcoming year.

On top of all this, the program's relationships with local communities, local government, national government, and its donors and sponsoring agencies were extremely bad. In country, the program was being ignored and not included in regional and national discussion of REDD+. In its home country, it was receiving terrible press, and the funding agency was in the process of reviewing the program in order to close it down.

Despite a staff that was working extremely hard to do the best that they could, why was the program in such bad straits? When talking to the staff, there were numerous reasons given and it appeared that there was plenty of blame to go around.

However, from CCP's point of view, the answer was simple; the program, its partnerships with host country stakeholders, and its relationships with its sponsoring agencies were all in 'the Fragmented State', which, in CCP's maturity matrix, is the lowest and least effective of five "cooperative capacity" states. The five cooperative capacity states are Fragmented, Top-down, Inclusive, Accountable, and Integrated.

**Figure 1: A Simplified Presentation of the Five Cooperative Capacity States**
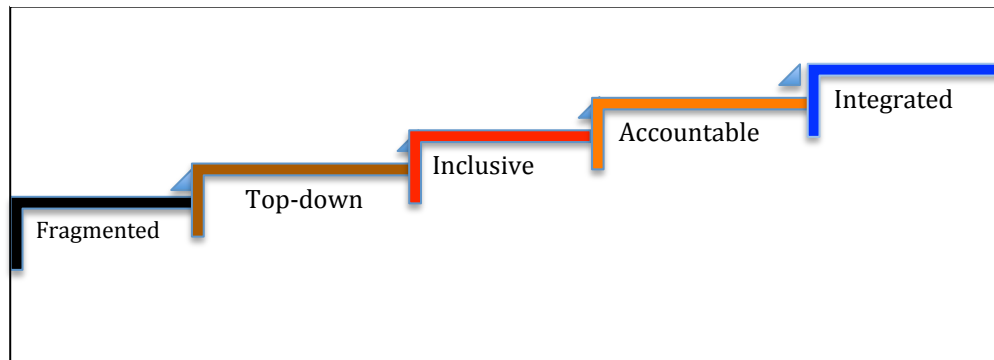
(Detailed descriptions of these states can be found at www.cooperativecapacity.com).

In brief, the simple characteristics of cooperative capacity are 1) each cooperative state represents a level of performance that more than doubles the production of the previous lower state. 2) Partnerships can only move up (or down) one state at a time. And 3) cooperative capacity does not develop naturally. It takes effort to move to the next step; however, when a partnership moves up one cooperative capacity state, the gain in performance is worth the effort.

Returning to our case study, using CCP's assessment approach, we quickly mapped out the program's partnership system and assessed the cooperative capacity states of the partners, partnerships, and relationships in the system. Color-coding is used to denote the cooperative capacity state of partners and partnerships, with black representing Fragmented, brown representing Top-down, and red representing Inclusive (the other two states do not appear in this example). Grey indicates that a partner or partnership was not assessed.

Below is a simplified map of partnership map for the REDD+ program when CCP arrived.

Figure 2: The Initial Partnership Map
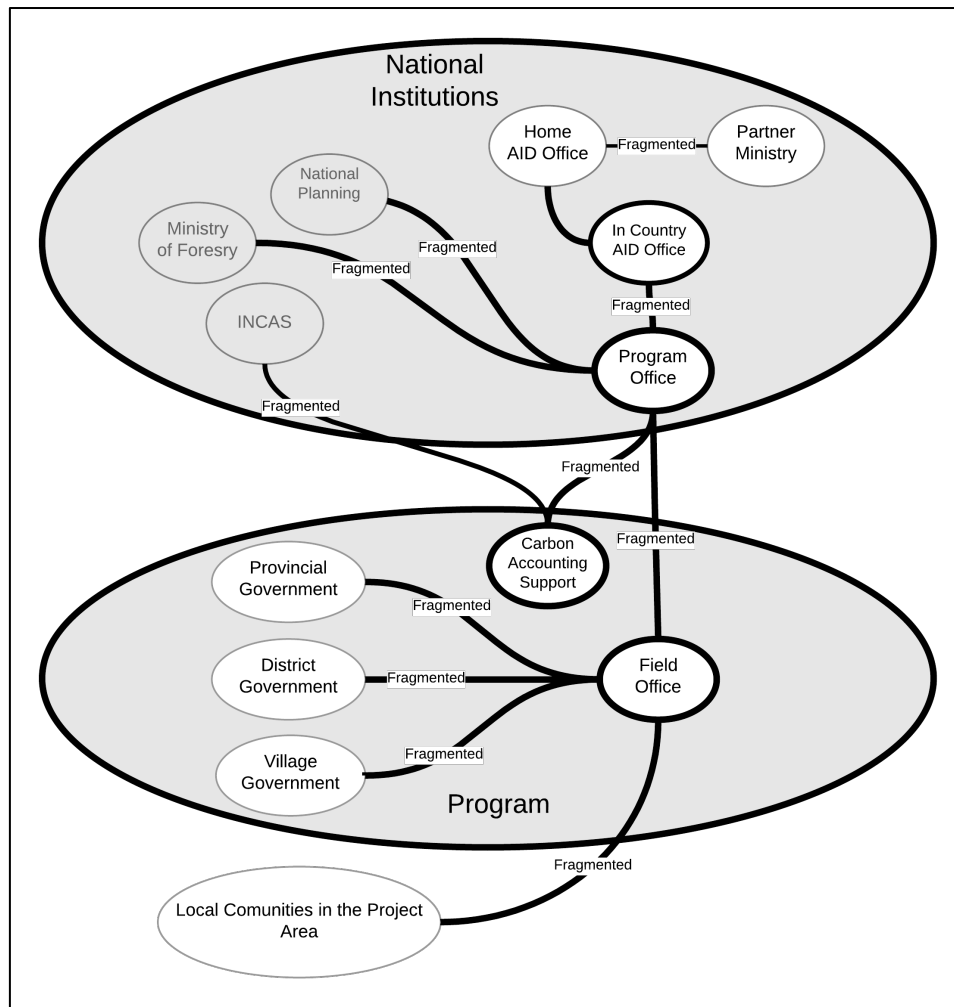
As can be seen, the core teams of the program (the in-country AID Office, Program Office, Carbon Accounting support team, and the Field Office) were all in the fragmented start. And all their partnerships and relationships were also fragmented. This level of fragmentation explains the great difficulty in performing the program was experiencing.

In order to improve the performance of this program, the goal of CCP's intervention was to help move the program up one cooperative capacity state, into Top-down, and then as many of the partnerships as possible also into Top-down.

With the help of CCP and by itself, the program accomplished this shift. First, with hands on support from CCP, the program put together and presented an honest evaluation along with a clear road map for improvement to the donor, who agreed to continue support for the program. Then, following the road map over a year and a half, the program established itself and a number of strategic partnerships in the Top-down Cooperative Capacity State, with one aspect of the program even reaching the Inclusive State.

Here is a partial map of the program after CCP's intervention and a great deal of hard work by the program team.

Figure 3: Partnership Map by End of Program
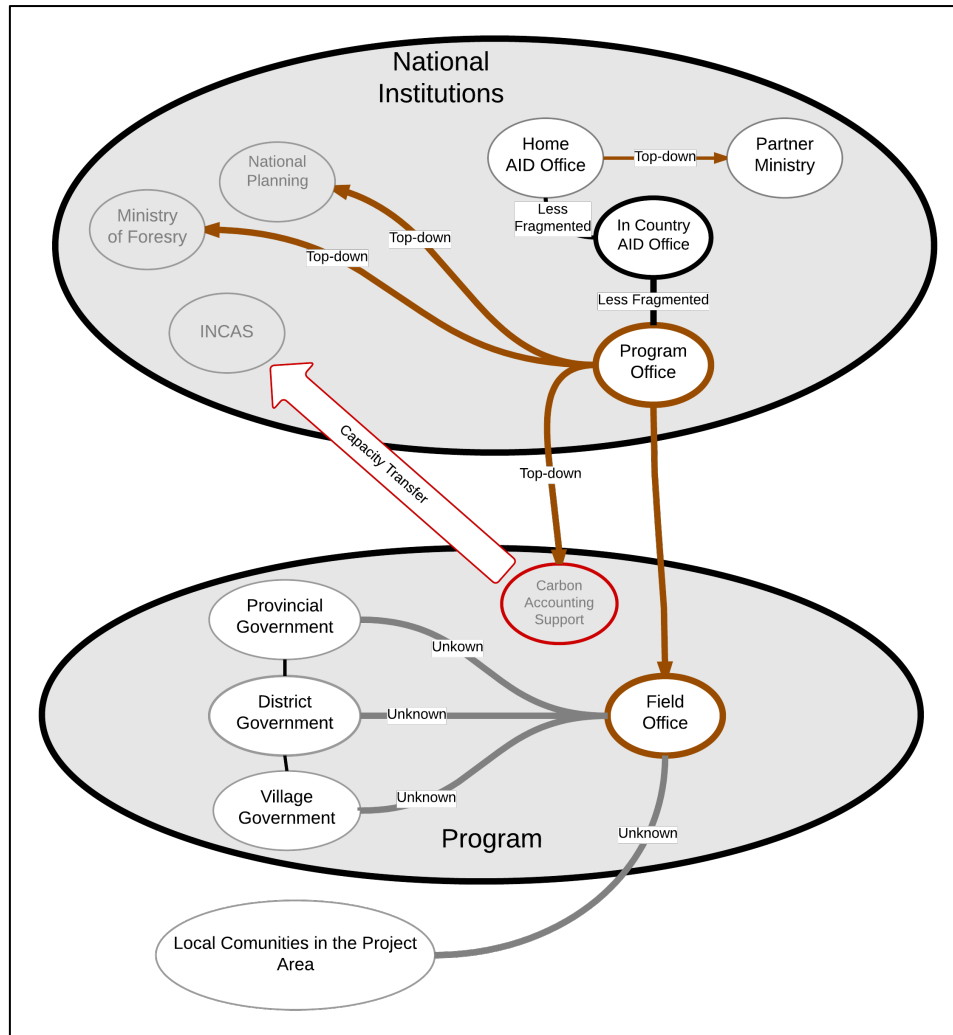
As the map shows, at the end of the project, the level of fragmentation in the system had greatly decreased. The program and field office had moved into the Top-down State. The relationship between the national AID office and a partnering ministry was now in Top-down, as were the program's relationships with the national host government agencies. In addition, the Carbon Accounting Support person had been able to move their relationship with the agency running the national carbon accounting system into the Inclusive State.

As a result, performance of the program had improved dramatically and, in its last year, was able to deliver:
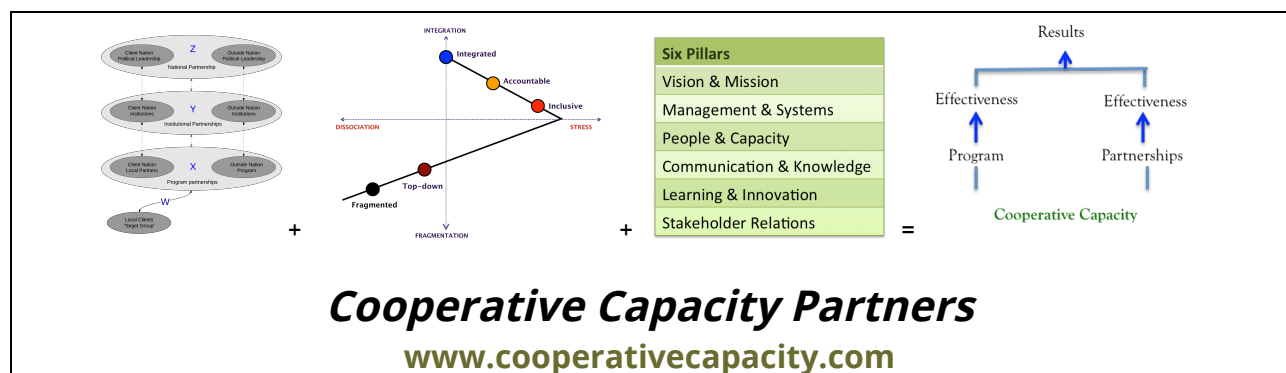
- A carbon accounting system adopted and managed by the host government – a complete transfer of knowledge and ownership (which is only possible when partnerships reach the inclusive state or higher)

- 40 research and learning publications available in hardcopies and on the website

- A carbon emissions factor for peat with protocols for measuring peat emissions.

- An estimation of carbon emissions for the project area if no interventions were made

- An institutional basis for REDD+ in the project area, including village institutions for managing REDD+ activities and money.

- Completion of the livelihoods program agreed to in the first year of the project

- Greatly improved relations with all except one of the villages in the program area, with the regional and provincial governments, and with national government agencies

- Greatly improved program reputation.

In addition, program managers felt they could have successfully implemented the canal blocking and rewetting activities if their donor had let them.

The changes to the program to move into Top-down were not painless: The process took time (over a year) and a great deal of effort on the part of the staff. However, the gains in performance were great, more than twice the results the program was achieving when it was the Fragmented State. And these gains could have been doubled again if the program had had the time (another twelve to eighteen months, if all went well) to make the effort to move into the Inclusive State.

What follows is a more detailed story of moving a program from Fragmented to Top-down.

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Cast of Characters

Mark ------------------------ A senior official in the Oceania International Development Agency (OceAID) and initiator of the Indonesia-Oceania REDD+ Development Partnership (IORDP)

Jake ------------------------ IORDP Advisor for Environment and Community Development

Colin ----------------------- IORDP Advisor for Forestry and Greenhouse Gas Measurement

Jenifer --------------------- IORDP Advisor for Knowledge Management and Research

Paulus ---------------------- Third Government of Oceania Coordinator for the IORDP

Adi ------------------------- Government of Indonesia Coordinator for IORDP

Ginger ---------------------- Division Head in the Oceania International Development Agency and a colleague of Mark

Mary ------------------------ Head of the OMIJ, a Jakarta-based working group consisting of OceAID, the Oceania Ministry of Climate Change, and IORDP

Susan ----------------------- Facility Manager of IORDP

Eric ------------------------ CCP Consultant

Bruce ----------------------- Head of the Indonesian National Carbon Accounting System support project (INCAS)

Nick ------------------------ Final Pulau REDD+ Demonstration Partnership Coordinator

Ahmad ---------------------- Senior Official from the Indonesian National Planning Agency (BAPPENAS)

List of Abbreviations

BAPPENAS ----------------- Indonesian National Planning Agency

CCP ------------------------ Cooperative Capacity Partners

FORDA --------------------- Forest Research and Development Agency (Indonesia)

GoO ------------------------ Government of Oceania

GoI ------------------------- Government of Indonesia

INCAS ---------------------- Indonesia National Carbon Accounting System

IORDP --------------------- Indonesia-Oceania REDD+ Development Partnership

MCC------------------------ Ministry of Climate Change (Oceania)

MFA ----------------------- Ministry of Foreign Affairs (Oceania)

NGO------------------------ Non Governmental Organization

OceAID--------------------- Oceania Agency for International Development

OMIJ ----------------------- OceAID-MCC-IORDP Jakarta working group

PO-------------------------- Partnership Office

PRDP ---------------------- Pulau REDD+ Demonstration Partnership

REDD+ --------------------- Reducing Emissions from Deforestation and forest Degradation

UNFCC --------------------- UN Framework Convention on Climate Change

Part 1: Mark, a senior official in OceAID, ponders how to mitigate global warming

It was the middle of the first decade of the 21st century. The gravity of the threat of global warming was starkly apparent to the scientific community, and becoming apparent to the world at large.

This was particularly true in Oceania, a continent where the vast majority of people lived in environmentally comfortable temperate zones wedged between largely uninhabited oceans and deserts. Global warming presented a great risk to the inhabited, temperate areas of the country, as it brought forth increased temperatures, desertification, stronger tropical storms, and rising sea levels.

These threats were known to Mark Jones, a senior official at OceAID, the Oceanian Agency for International Development, and he wondered what Oceania could do to mitigate global warming and reduce the risk to itself.

Obviously, the first thing was for Oceania to reduce its own carbon footprint, even though it was only a small part of the problem. Efforts to this end had begun, and both local and national government agencies were developing and implementing plans to measure and reduce carbon emissions. The Ministry of Climate Change (MCC) was leading the national level efforts.

But Mark knew that a global approach was necessary to reduce the impacts of global warming. Oceania was already working to this end, being a serious player in negotiating global accords. The question, then, was: Could Oceania more directly support efforts elsewhere to reduce global greenhouse gas emissions? If so, where and how? Where was the meeting of opportunity and need?

The answer lay in one of Oceania's partners: Indonesia. Mark had experience in Indonesia and knew that it was imperative for the country to find ways to reconcile economic development and environmental protection. The country was experiencing rapid economic growth with the concomitant increase in environmental destruction and greenhouse gas emissions. As a result, Indonesia was a significant contributor to global warming. Plus, Indonesia and the region were experiencing billions in economic losses from forest destruction in the form of out-of-control forest fires.

Mark could see that great opportunity lay in Indonesia. Oceania and Indonesia had a history of working together, and Mark himself had strong relations with leaders in the Indonesian government. He knew a number of these leaders were people of goodwill, who understood the need to reduce the destruction of Indonesia's forests. In fact, negotiations were already underway to form a partnership between the two countries, aiming to preserve Indonesia's forests.

However, one major issue stood in the way: the dilemma of economic growth versus environmental health. Traditional conservation, which was designed to save forests, usually limited the economic development of people living in and near the forest.

Traditional development usually resulted in putting extreme pressure on people to convert, exploit, or otherwise degrade forests.

But Mark knew of a new idea, REDD+, which could solve this dilemma. In the simplest terms, REDD+ was an emerging mechanism (being developed under the auspices of the United Nations Framework Convention on Climate Change, UNFCCC) that would enable wealthier countries and carbon-emitting businesses to *pay* developing countries to reduce emissions from deforestation and forest degradation (REDD) and conserve existing forests (the +).

In other words, REDD+ would enable a developing country to sell carbon it had *prevented* from being released into the atmosphere. To make this work, a number of crucial steps would have to be implemented: The first was for a country to measure current carbon gas emissions and estimate future carbon emissions, assuming no policy changes and the continuance of business as usual. Then the country would promote investors to implement interventions to reduce greenhouse gas emissions, and then, at regular intervals, measure actual emissions. Finally, the actual emissions would be subtracted from the estimated emissions, and if the actual emissions were less than the estimated emissions, the difference would be verified and sold on carbon markets, with the proceeds distributed to the program's stakeholders, including governments, investors, and local communities.

Figure 1: REDD+ Carbon Estimation
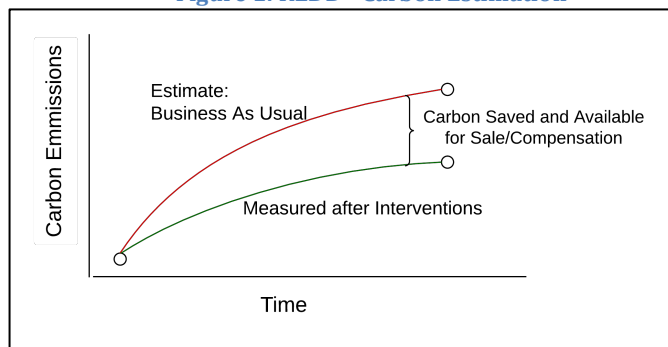
Of course, Mark was aware that creating the policies, systems, and procedures to make REDD+ a reality would be a complex and difficult undertaking. Fortunately, the world was charging ahead, and in 2007, in Bali, Indonesia, the world (via the UNFCCC) encouraged the creation of demonstration projects and development of mechanisms for establishing REDD+.

This created an opportunity to incorporate REDD+ into the developing Indonesian-Oceanian forestry partnership. Through his relationships with the Indonesian and Oceanian governments, Mark was able to consult with both so that in the summer of 2008, the President of Indonesia and Prime Minister of Oceania signed a partnership agreement that created the Indonesia-Oceania REDD+ Development Partnership (IORDP).
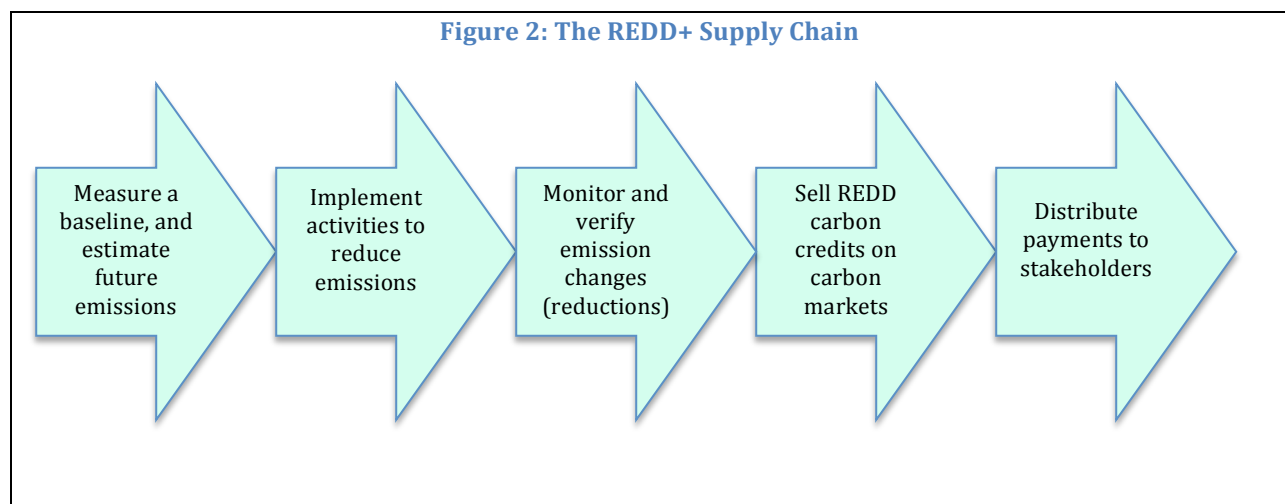
Part 2a: In which two well-meaning expats, Jake and Colin, design a REDD+ demonstration for Indonesia

With the creation of IORDP, OceAID was given the go-ahead to plan a program that would demonstrate REDD+ and provide data and experience that Indonesia and Oceania could use in REDD+ negotiations.

The initial design team was headed by two IORDP coordinators, one appointed by OceAID and the other by the Indonesian Ministry of Forestry. But the majority of work was managed by two consultants, both of whom had spent most of their careers in Indonesia. Jake was the expert in environment and community development, and Colin was the expert in forestry and greenhouse gas measurement. This group worked closely with Mark and other technical experts in Oceania and Indonesia to design the initial demonstration project of IORDP.

A remote 370,000 hectare peat swamp forest in the province of Central Pulau was chosen as the project's site. Approximately half of the site was untouched forest and the other half had been cleared by a now defunct rice-development program. Compared to an intact forest, carbon emissions in the cleared portion of the site where markedly higher due drying peat and annual fires. The intact forest was under threat as the canals constructed as part of the rice program would eventually drain the peat thus destroying the forest. The loss of the intact forest would result in doubling the amount peat exposed to air, leading to even larger increases in carbon emissions due to oxidation and fires. Preserving the existing forest by stopping the drainage of the peat swamp and reducing fires and oxidation from the cleared area by rewetting would prevent a great deal of green house gas emissions. The potential amount of prevented green house gas emissions represented large potential incomes for local communities and other stakeholders from a REDD+ program. This demonstration project was called the Pulau REDD+ Demonstration Partnership (PRDP).

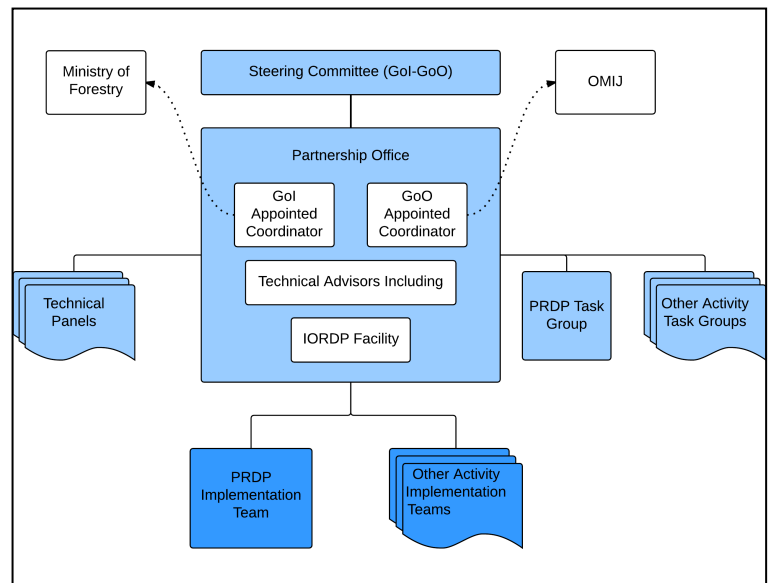In the field, the project was designed to implement and demonstrate a REDD+ supply chain (figure 2), and simulate the sale of carbon credits:

Figure 2: The REDD+ Supply Chain

Measure a baseline, and estimate future emissions → Implement activities to reduce emissions → Monitor and verify emission changes (reductions) → Sell REDD carbon credits on carbon markets → Distribute payments to stakeholders

The PRDP design presented four large challenges for the team. The first was to create local institutions and mechanisms that would implement REDD+ activities, measure emissions, collect payments, and distribute benefits to the local communities. The second was to develop an internationally accepted methodology to measure emissions from peat swamp forests. The third was to block the government-constructed canals and re-wet the swamp. The fourth was to reduce fires in the area while the peat was being re-wetted.

The PRDP design was intended as a general framework for the project, with more detail to be developed at the start of implementation. The design structured the program around a core team – the Partnership Office (PO) – that was tasked to manage all IORDP activities, task groups, technical panels, and demonstrations. The PO reported to a steering committee made up of Indonesian and Oceanian representatives. Two co-equal coordinators, one from each government, headed the PO. The Government of Indonesia (GoI) Coordinator was seconded from the Ministry of Forestry and maintained relations with his superiors there. The

Figure 3: Original IORDP Structure from Design Document

Government of Oceania (GoO) Coordinator was hired by the OceAID, and reported to a joint OceAID-MCC-IORDP Jakarta work group, called OMIJ. Within the PO, under the coordinators, there were advisors and staff seconded from the Ministry of Forestry to provide technical expertise, and a facility to provide management and financial systems and support for the implementation of IORDP activities (figure 3).

The PRDP structure followed a similar pattern of coordinators and implementers. Its work was to be carried out by two implementing partners, NGOs that had experience, and staff already in place in Central Pulau. The PRDP Coordinator was to coordinate these partners and manage direct PRDP staff hired by the facility. The PRDP coordinator reported to the IORDP facility manager. In addition, the two Forest and Climate Specialists (advisors) in the PO would provide technical oversight and supervision of the PRDP field team.

Part 2b: In which we see how design issues can cause an implementation nightmare

This outline structure created a number of challenges for implementation.

Within the PO, the design itself did not empower a single leader, and none emerged. As a result, despite the urging of Jake and Colin, the anticipated refinement of the design document never occurred, and thus the program moved forward without an overall plan.

This meant that IORDP itself was never clearly defined as a program with a coherent vision, mission, strategy, or structure. Without an empowered leader promoting a clear IORDP vision, at least three competing informal visions developed within the PO. Without a clear vision and mission, the program could not, and did not, develop strategic management and communication systems. What did emerge, because of the competing informal visions, were misaligned planning and financial systems, ad hoc decision making, and ad hoc monitoring and reporting.

Because the program could not follow through on commitments, clearly explain what it was trying to do, or report on what it had accomplished or spent, its relations with stakeholders became extremely weak. Difficulties emerged with the community and local government partners, resulting in loss of support in a number villages (where outside groups agitated against the program) and exclusion from district and provincial government-led REDD+ activities. The program's lack of reporting on progress and finances eroded the trust of the program's Indonesian partners and with OceAID, the funder. The program's inability to explain its goals and achievements led to a public relations nightmare for the program in Oceania, where reports in the press often assumed the program was just a simple reforestation project.

This nightmare was compounded by OceAID's bureaucratic aversion to risk, which resulted in OceAID requiring approval of all IORDP external communications by higher-level OceAID bureaucrats, who had little understanding of the program. In practice, this resulted in the withholding of information and the inconsistent massaging of facts by OceAID in order to avoid creating liability. This slow (or non-) release of information and ultra-cautious message creation impaired the program's ability to respond to criticism or to proactively promote itself, and this, in turn, invited more criticism.

In the field, the design created what was basically a matrix management system based on hope, rather than management expertise, with both the PRDP Coordinator and the PO advisors holding management authority over PRDP staff. This type of structure required an extraordinarily high level of management and coordination skills on the part of both staff and management, and neither had those skills. This lack, combined with ad hoc planning and approval systems, created frustration and confusion among the field staff, who were doing their best to implement what they thought should be implemented.

Thus, two years into the program, this structure had broken down. The GoO Coordinator, three advisors, the Facility Manager, and the PRDP Coordinator were all instructing directly to PRDP staff in the field; moreover, the Jakarta staff, particularly the advisors, were more often than not overriding the PRDP Coordinator.

Despite these handicaps and bad Oceanian press, the team *had* made progress over the first two years of the project. PRDP had introduced the concept of REDD+ to the seven villages in the project area. It had established agreements to work with all these villages, and set up

village committees to help plan, implement, and monitor work with PRDP. PRDP had distributed funds to the committees, who had hired villagers to work with PRDP through a series of work contracts. Under these contracts, the villages and PRDP had established peat forest monitoring stations, grown seedlings and reforested over 300 hectares of deforested peat, blocked unused local canals (called *tatas*), strengthened fire control teams, and conducted field schools for rubber farmers. PRDP and the PO had also advanced in their development of methodologies for measuring greenhouse gas emissions and for blocking large canals in peat swamps. In fact, the project was ready for the first pilot construction to demonstrate blocking of these large canals.

Part 3: In which Paulus, a new coordinator, tries to bring order from chaos, but receives no support

Paulus was the third GoO coordinator hired by the program. He was, in many respects, ideally positioned to be the coordinator and leader of the IORDP. In addition to his formal role as GoO coordinator, and thus empowered to control the money of the project, he was part of three different key IORDP networks: He was Indonesian, with established relationships with the Indonesian Government; he was a REDD+ expert; and he had financial sector business experience. These attributes, potentially, prepared him to hold the center of the project.

What he found when he arrived was a very hardworking and frustrated staff.

Jake and Colin, who had put so much work into the initial design and were now advisors to the program, were climbing the walls. First, they felt that most of the staff, in both the PO and PRDP, did not understand the program—namely, that it was first and foremost a carbon emissions reduction program, not a development or conservation program. Second, they felt they were forced to spend too much time dealing with mistakes and boneheaded decision-making in the field, requiring them to run from crisis to crisis. Nevertheless, they persisted, driving PRDP forward.

The GoI Coordinator, Adi, was not only frustrated, but also angry and incredulous. He had little formal control, unlike his supposed coequal, the GoO Coordinator, who controlled the budget. To make matters worse, Adi could not even get data on the program's plans, budgets, expenditures, and results, as required by his agency, the Ministry of Forestry.

The second Facility Manager and the third PRDP Coordinator were likewise exasperated trying to coordinate a complex project without clear management systems. They continued to direct staff and activities as best they could through sheer hard work, long coordinating meetings, and by doing their best to make adjustments as directives and advice came down from Jakarta.

Things *were* getting done, however.

Unfortunately, without an established reporting system, their achievements did not reach the ears of their supervisors, OceAID, or the Ministry of Forestry.

As he started his work as GoO Coordinator, Paulus identified four priorities for improving the program. The first was to improve the performance of PRDP in the field. The second was to build the program's relations with GoI agencies at both the national and local levels. The third was to develop the program's relations with the GoO. The last was to prepare an exit strategy for the program. His preferred exit strategy was to transfer the program over to Indonesian control and to have the program pay for itself through the carbon credit supply chain.

Unfortunately, Paulus was unable to make much headway on these priorities. One person could not solve all of these problems alone; he needed a team of people to help. Those people were present, but Paulus had neither the skills to persuade everyone to follow him, nor the power to compel them to follow him, amidst the disarray of the program.

He struggled with improving the performance of PRDP because he could not extract from the team the organizational expertise and cooperation he needed to align goals, objectives, requirements, plans, and then put in place solid management systems.

His work on improving relations with GoI agencies was blocked because, as a GoO representative, he had to follow GoO bureaucratic protocols. This prevented him from using his Indonesian networks.

His work on improving relations with the GoO and the key agencies supporting the project failed because he did not understand or know how to manage the internal politics of the Oceanian bureaucracy. This would not have been fatal if he had support from his superiors to help him navigate within the bureaucracy, but he did not get that support.

Finally, the effort to develop a sustainable exit strategy failed because almost no one associated with the program felt the need to transition the demonstration from an aid-based program to a market-driven 'business', nor did they understand how this could be accomplished. On top of this, the senior people on the staff were too immersed in fighting day-to-day crises to take the time to work on developing a realistic exit strategy.

Thus, despite Paulus's best efforts, the program remained an underperforming mess.

As Paulus's efforts were failing to move the program forward, Cooperative Capacity Partners (CCP), which was at the time using the tag line, "We help teams in crisis", reached out to Jake as part of a general marketing campaign. Jake's emailed response was succinct: "We might need that." Jake broached the idea of bringing in CCP with Paulus, who agreed and gave Jake permission to invite CCP in for a two-week consultancy to help them improve the management of PRDP.

CCP assigned two consultants, Frank Page and Eric Wolterstorff, who flew out to Jakarta for interviews and workshops. At the end of two weeks, they had identified the fundamental problems within PRDP and the PO.

CCP analyzes a program according to its ability to deal with stress, and its structural capacity to enable its staff to cooperate. Eric and Frank quickly assessed that both the PO

and PRDP were in a Fragmented State, which, in CCP's maturity matrix, is the lowest and least effective of the five cooperative states.

Based on its analysis, CCP created a nine-month road map for moving the PO and PRDP from the Fragmented State up to the next state, which CCP calls Top-down. The consultants promised that the movement from the Fragmented State to the Top-down State would make the program twice as effective. Paulus saw that progress had been made during CCP's first two weeks, and cautiously expressed optimism that the road map could work.

Part 4: In which Mark reviews CCP's report with Ginger

After the initial consultancy, back in Canberra, Mark was reading CCP's report. He was intrigued by a few aspects of it.

The first was that CCP's model (figure 4) was based on a group's capacity to cooperate both internally and externally, and that groups would end up in one of five "attractor states" of cooperative capacity: Fragmented, Top-down, Inclusive, Accountable, or Integrated. Their model, based on over two decades of research, showed that as organizational cooperation increases, a program's effectiveness also increases. As he grasped the model, Mark saw that CCP's cooperative states were also indicators of program performance.

Figure 4: Cooperative States Map – The Five Attractor States
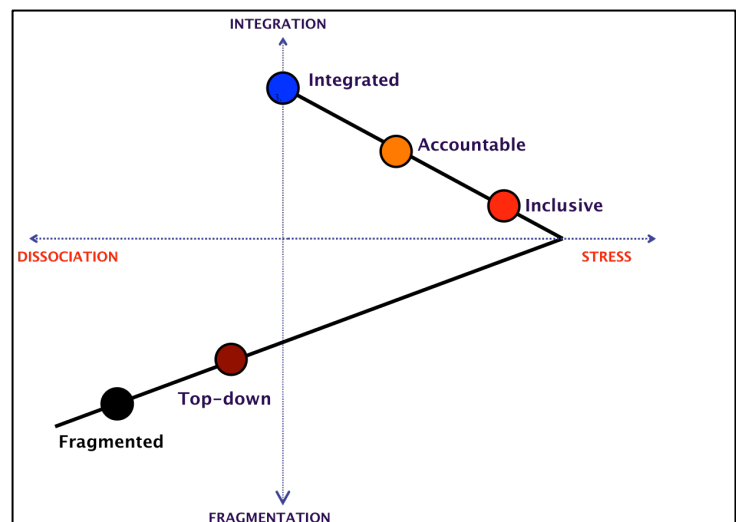
Mark was also impressed with how CCP's model simplified the planning for building program capacity. CCP's rule that a group can only move one state at a time meant that improvement would involve concentrating on getting to the next state, not attempting to create a perfect group all at once. He believed that the model could prove very helpful if applied to the program in Indonesia.

Mark was well aware that the program was performing poorly and having serious management issues. In fact, the reality of the program fit the description of a group in the Fragmented State perfectly: It had no clear vision, a weak or divided leadership, and operated as an 'ad hocracy'. And the solution – to move the program into Top-down – also made perfect sense. In the Top-down State, a group has one empowered leader, a clear vision and mission, established systems set by the leadership, and an obedient staff that follow regulations, procedures, and policy. Mark knew that establishing these organizational elements needed to be a clear priority for IORDP, were it to get back on track. Other organizational interventions (such as building participation, delegating authority, or building a learning organization) were just not appropriate for IORDP in its

current state, but could come later, after the program's strategies, structure, systems, and staff had been aligned with a clear vision and mission.

As he grasped the model, Mark thought of his colleague Ginger, who was head of a division that funded international and local NGOs. Mark thought that she might find the model useful, since she was having difficulty dealing with the traditional top-down local NGOs she worked with in Southeast Asia, and her department was struggling to become a learning organization. So, he gave her a call and set up a meeting over a cup of coffee.

"This is very exciting!" Ginger exclaimed, after Mark presented the model to her.

"I know that you're working with a number of local NGOs that are extremely top-down." Mark went on. "The staff only does what the bosses tell them to – nothing else – and the bosses tend to be quite dictatorial. So, according to this model, that means they are in a Top-down State. If we are to help them become more effective, we have to help them move into an Inclusive State. And to get to the Inclusive State, bosses need to be able to receive feedback from the staff, staff needs to be able to give feedback to bosses, and then bosses need to be able to share some authority with higher and mid-level staff."

"Wow," Ginger continued, "that sounds difficult. It would require working with bosses to accept feedback, both good and bad, and working with staff to get comfortable taking responsibility. But, I can also see that without these basic changes in communication and management, a lot of what we consider good management – work teams, delegation, response to stakeholder feedback, and good use of M&E – just wouldn't be possible."

"Agreed." Mark nodded. "Hey, what about the difficulty your own department is having in becoming a learning organization? Does this model help?"

"Let's see…" said Ginger. "I think what we consider a learning organization would be the Integrated State in CCP's model. That's because we want everyone to learn together and share that learning across the whole organization.

"Now, according to the model, to get directly to the Integrated State, we would have to be in the Accountable State, which would mean that we have a bunch of effective silos that coordinate sub-optimally.

"Hmmm. I'm not sure that describes us. I think we may be more in the Inclusive State. We are all highly dedicated to our vision and mission, but we all feel over-stretched and have a hard time saying no to anything. In that case, the model tells us that we have to move into Accountable by learning to prioritize and actually creating our own silos. Once we've done that, we can then learn how to integrate the silos, and then finally become a real learning organization.

"The model does seem to explain why we are having such difficulty with becoming a learning organization. We might not have built the foundation to get there yet."

"That sounds about right." Mark agreed. "And hey, look at this: The model also applies to partnerships, and other forms of relations between groups. So partnerships also have

cooperative states. But in this case, the basic rule is that a partnership can only reach the cooperative capacity level of the partner with the lowest program cooperative capacity level.

"So look at what that means for IORDP. Both the PO and PRDP are Fragmented, so the relationship is Fragmented. That makes sense. But, given the simple rule, because both the PO and PRDP are Fragmented, so are all of its partnerships. No wonder the program is having difficulty with OceAID, the district government, Ministry of Forestry, and the Oceanian press! Its relationships with all them are ad hoc and Fragmented.

"I wonder if we could map this out?" Both Mark and Ginger started scribbling on their napkins.

Looking at their final drawing (figure 5), they both felt overwhelmed by the magnitude of the problem depicted. But then Mark remembered something.

Figure 5: Partial Partnership System Map of IORDP
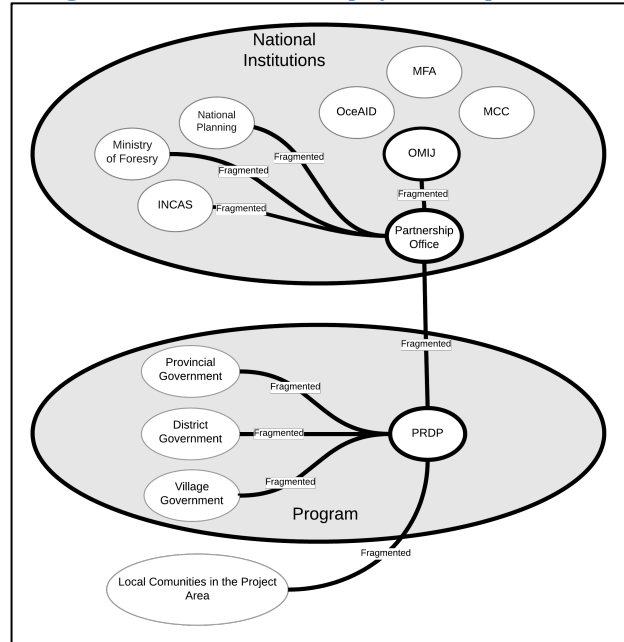
"According to CCP's model, the first priority to improving these partnerships and relationships is to move both the PO and PRDP into the Top-down State. Once that's accomplished, we can start working on improving partnerships. You know, this explains why our efforts to directly improve our stakeholder relationships have gone nowhere. Anyways, now I feel a bit more optimistic. Our first step is to worry about improving our own program, and we have control over that. We can justify stopping, for a while, efforts to directly improve relations, so that we can focus on the first priority, which will lead to better relations in the near future."

By then it was late, and Mark and Ginger the coffee shop, heading their separate ways. Mark felt relieved; he now had a clear outline of what the project needed to do to get on track. He knew it would not be easy, but at least he knew what had to be done.

Part 5: In which Paulus shares his vision and mission with Eric; it is adopted and structure begins to appear

Back in Jakarta, Paulus had been explaining to Eric his view of the project. In a heartfelt conversation, Paulus expressed his love for Indonesia and its environment. He deeply believed that REDD+ would make his country better, with the added benefit of helping the world, by facilitating development that wouldn't destroy the environment. He had

committed to IORDP in the first place because he saw it as a mechanism to demonstrate REDD+ and learn how to make it work for Indonesia and the rest of the world.

Paulus confided to Eric that the design's supply chain model was decent, but in need of revision. First, he saw REDD+ as a cycle, driven by market mechanisms whose payments for REDD+ carbon credits would both cover the costs for the prevention of carbon emissions, and contribute directly and indirectly to development efforts. Second, he knew that it would take work to develop social and political support for REDD+, and that meant finding and supporting Indonesian REDD+ champions, both in and outside of government.

Together, Paulus and Eric identified five major actions necessary for REDD+ to become self-sustaining. They were: 1) Connect to carbon markets or funding. 2) Create strong national support for REDD+, leading to enforceable national systems. 3) Test, refine, and implement REDD+ governance, regulations, incentives, and forest management practices. 4) Establish measurement and reporting systems. 5) Identify or create independent organizations for verifications (figure 6).

Figure 6: The REDD+ Cycle
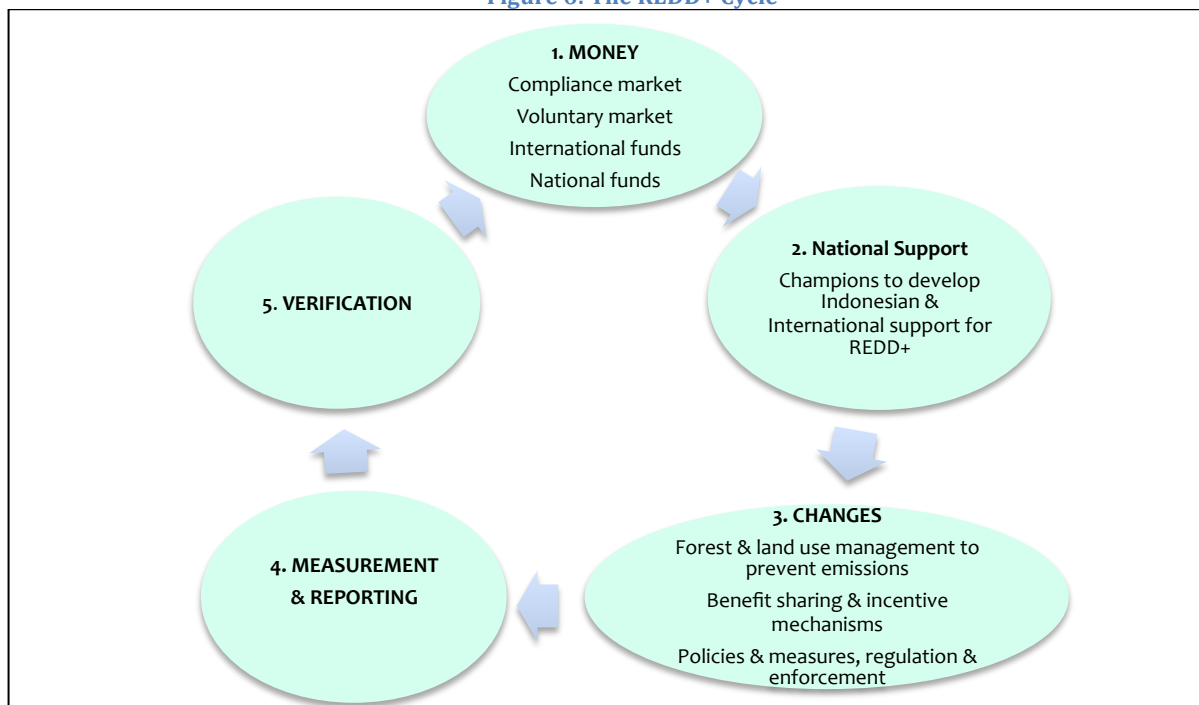
Paulus was pleased with this revised REDD+ cycle. "We still have a problem, though." he told Eric. "Not everyone in IORDP agrees that the ultimate goal of the project is to really establish an ongoing REDD+ project. Some of our staff just see it as a field demonstration and learning project that'll close down after a set period of time."

This was a serious issue. To move the program into the Top-down State, there had to be only one vision and mission around which to organize. Paulus knew this, and, working with Eric, set up a workshop to formally adopt a clear and shared vision and mission for IORDP.

Later, at this workshop, IORDP adopted the vision: *Indonesia will lead and manage REDD+ with linkages to international funds and markets*. IORDP's mission became *to pilot a full REDD+ cycle, create supporting systems, and share its learning with Indonesia and the world*.

With the vision and mission established, and a clear cycle created, the elements for creating a manageable program structure that was aligned with the vision and mission (a necessity for moving into Top-down) were in place. All that was left was to restructure the program by creating workgroups responsible for managing each part of the cycle, all reporting to one boss, who would be a champion for REDD+ in Indonesia (figure 7).

<div align="center">**Figure 7: Example Structure for IORDP**</div>
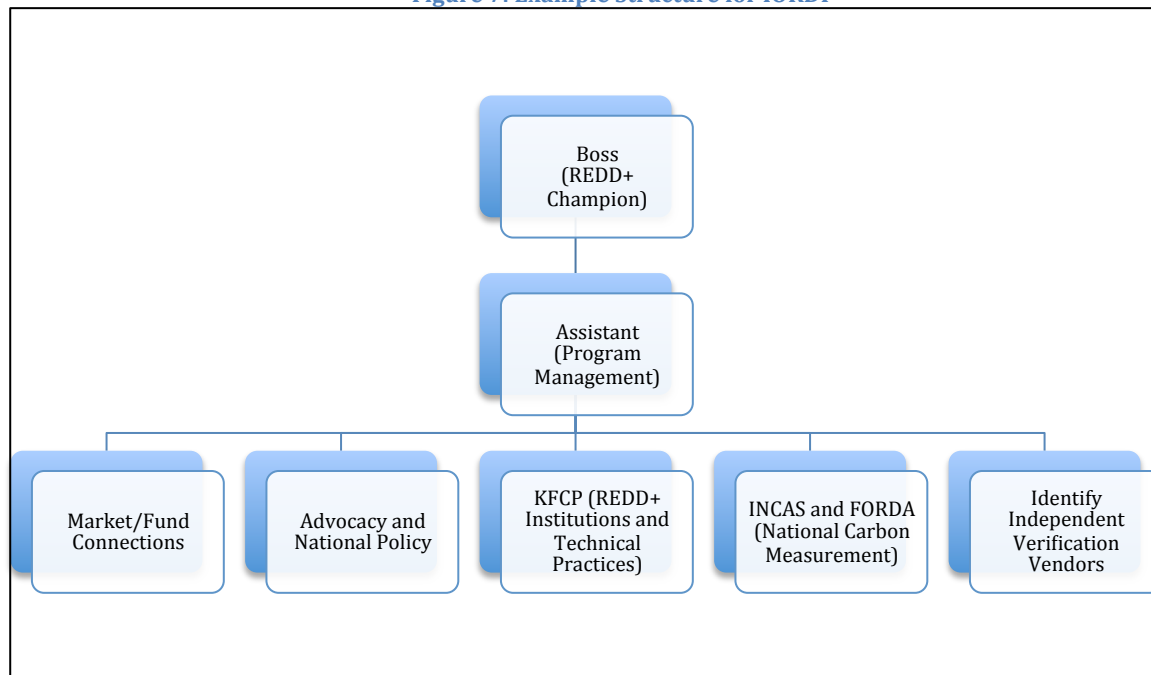
Paulus was extremely pleased. He and Eric had clarified the project, and, although he knew that the project would need repositioning, he believed that this was the right path forward. He also knew that he needed three things to make it work: The first was approval from his bosses at OceAID; the second was a REDD+ champion; and the third was good managers for each of the workgroups. Paulus quickly set up a meeting with his boss in the OMIJ, Mary, to explain the program's clarified direction and why that was the way to go.

After hearing from Paulus and Eric, Mary was impressed. She voiced her support for the work, but explained that she needed approval from higher up the bureaucratic chain before they could move forward. To get that approval, she knew she needed an outside voice and an Indonesian voice, so she quickly arranged for Paulus and Eric to head to Canberra, with one of her team members, Sheila, as guide.

Part 6: A search for a top-down champion to rationalize and promote the program

Together, Mary, Paulus, and Eric set the goals for the trip to Canberra. Three priorities quickly became evident:

Priority one was to *save the program*; OceAID had already started a review designed to justify the closure of the project. The visiting team had to derail this effort and earn the program some time to turn itself around. In CCP's terms, the relationship between the program and OceAID was in a Fragmented State, and had to be moved into a Top-down State quickly.

Priority two was to *find a champion for REDD+* and the program. Unfortunately, it was apparent that there was not a suitable champion in Jakarta. Each of the main candidates was flawed. Paulus, while caring for and understanding REDD+ and the project, and having excellent networks in Indonesia, did not have the day-to-day skills needed to manage the PO and the programs in the field, or the political knowledge and skill to manage the OceAID politics leading up to Canberra. Mary was extremely skilled in working with OceAID, but did not thoroughly understand the REDD+ program, and had expressed that she was not interested in taking on the role of REDD+ champion. The program needed a champion who would put the program in line, get it to Top-down, and develop support from the Oceanian government, so the money would keep flowing.

Priority three was *to align OceAID, MCC, and any other pertinent government department with the REDD+ cycle* and the new program structure. Mary had been struggling with being caught between OceAID and MCC. The OceAID priority was to deliver an aid program, and the MCC priority was to produce data for international REDD+ negotiations. On top of that, neither agency trusted the other, and both in various ways were sabotaging the project. In other words, the partnership between OceAID and MCC was in a Fragmented State, and had to be moved to Top-down (figure 8).

Paulus, Eric, and Sheila headed out for their trip, their marching orders running through their minds: Buy the time and support needed to get the project back on track. Find a REDD+ champion. Align the program's government stakeholders with the proposed restructuring. The team had a week in Oceania to get this done.

Figure 8: Cooperative States of Oceanian Government Partnership system

In Canberra, they met with members of OceAID, the Ministry of Climate Change (MCC), and the Ministry of Foreign Affairs (MFA). To each group they explained the REDD+ cycle and asked for a champion. They asked OceAID for support to continue the program, and MCC to
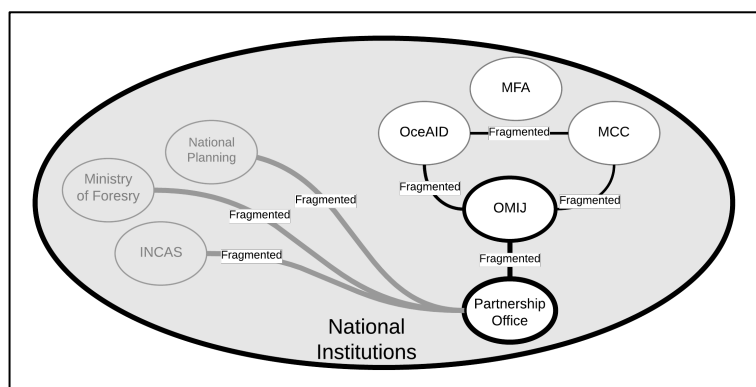
provide a manager to revive the fading Oceanian support to Indonesia for putting in place a national carbon accounting system (INCAS).

By the end of the week, the team had attained much, but not all, of what they were looking for.

Most importantly, OceAID agreed to pause its plans to shut down the program. They were impressed by the report given by Paulus and Eric on the state of the program (which was significantly more in-depth and accurate than the information they had been working with), and the strategy and plans to move the program forward. This was enough for them to grant a stay of execution.

But OceAID did not fully grasp the REDD+ cycle, particularly the necessity that REDD+ become a market-driven cycle run by Indonesian champions and players. And they were disconcerted by the research function of the program (parts three and four of the cycle), recognizing that they did not know how to do the research. In the end, they continued to see IORDP mostly as a traditional, outside-led, development project. Thus, Paulus and Eric did not find a REDD+ champion in OceAID.

The Ministry of Climate Change, on the other hand, *did* understand the REDD+ cycle, particularly the need for connecting to markets and developing political support. However, they also recognized that they were not in a position to become a home for the program; they didn't have the program management and oversight capacity, or the experience in Indonesia needed to manage the project. MCC knew they had to play second fiddle to OceAID. Thus, they too could not provide a REDD+ champion.

However, REDD+ requires a highly capable national carbon accounting system, and this was a core expertise of MCC, whose staff had helped establish the Oceanian national system for measuring carbon emissions. Thus, MCC was in a unique position to support the program by contributing its expertise to assist Indonesia in developing INCAS, which they were happy to do. They assigned a technical expert, Bruce, to be in charge of INCAS full-time in Jakarta. Moreover, they agreed that he would be directly managed by the PO, thus establishing their relationship under OceAID in a Top-down structure. Although funding Bruce created a bureaucratic challenge, this position was so essential for the unfolding of the new OceAID-MCC relationship that the bureaucracy was able to meet the challenge.

The final set of meetings was with the Ministry of Foreign Affairs. Their response to Paulus and Eric was positive, and they agreed to provide support when it was asked for or needed. As welcome as the statement of support was, there was nevertheless no REDD+ champion to be found in MFA.

[In hindsight, CCP's post mortem shows that there may have been a missed opportunity here. As mentioned earlier, Paulus's efforts to promote REDD+ through his Indonesian network had often been impeded or stopped by OceAID rules against working with or advocating to the GoI and private sector. It is possible that support from MFA could have helped with the diplomatic side of this work, and supported the development of political support for REDD+ in Indonesia (part 2 of the REDD+ cycle). Unfortunately, this possibility was not recognized at the time, and this support was not asked for.]

Figure 9:Oceanian partnership map after team's visit to Canberra
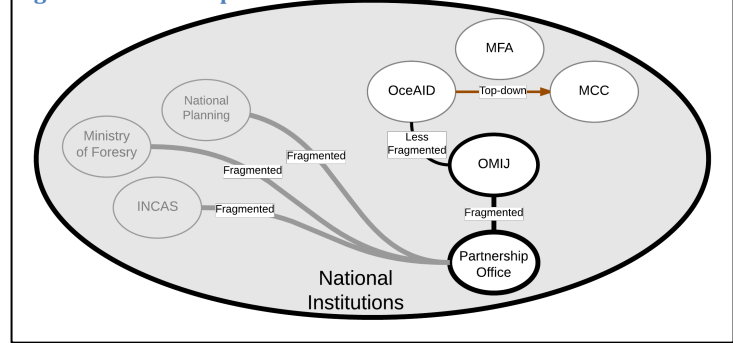
So, by the end of the week, Paulus, Eric, and Sheila had been able to stall the cancellation of the program by OceAID (making its relations with the program less Fragmented), align the MCC with the REDD+ Cycle under OceAID and obtain a full time expert and manager for INCAS, and gain a level of ad hoc support from MFA (figure 9).

What they had not been able to obtain was complete understanding of the program on the part of OceAID, alignment of MFA with the program, and, most critically, a REDD+ champion who would hold the program accountable and promote the program in the Oceanian bureaucracy.

Part 7: The "advisor effect", or, Why separating authority and responsibility leads to failure

Back in Canberra, Ginger began skimming CCP's report describing the issues in IORDP, the solutions (vision, mission, REDD+ cycle, and new structure), and the search for a champion. Stunned after reading the first section, she immediately phoned Mark to set up another meeting over coffee.

At the cafe, Ginger passed the report across the table to Mark. Wide-eyed, she insisted, "Take a look at this. We have the same core problem at each level of the project: weak leadership and no real chain of command. Throughout the program, the basic management rule of matching skills and authority with responsibility – ensuring that each manager and staff has the skills and authority to do the work for which they are responsible – is being broken. To put it another way, managers should manage; advisors should advise; thinkers should think. And this is not happening."

Mark was taken aback by this analysis. "Could you explain this a bit more?"

"Sure, look at this. Let's start with PRDP and work our way up. PRDP is our demonstration project for the world, but in the chain of command from the PRDP Coordinator down, we have no world-class talent, neither technical talent nor managerial talent. I'm not trying to demean the PRDP staff, but it seems that although there are good people there with strong

capacity to work locally, they are not yet national or international authorities in their fields. Agreed?"

"Alright, go on." Mark listened.

"The international-level expertise is located in the advisors, who are members of the PO, and officially report to the GoO Coordinator. But because of the weak leadership in the PO and the fact that the technical and managerial skills necessary to implement PRDP are not imbedded in the chain of command, each of the advisors have been going around the chain of command and working directly with PRDP staff.

"Had they been working within a clear and simple chain of command, they would have been advising the GoI and GoO Coordinators, who would then have directed the Facility Manager, who would then have directed the PRDP Coordinator. Okay, we know that this chain of command has never worked, and we know that PRDP can't do their work by themselves, so from a practical standpoint, it is easy to understand why the advisors are drawn to work directly with, and informally manage, PRDP staff: They are the most capable personnel, and feel responsible to make sure things get done in the field, even though it isn't their official responsibility. The result has been that each of the advisors has ended up informally managing a team of PRDP managers based on their area of advisor expertise and the tasks of the PRDP managers.

"They can do this because they hold a lot of power. Their formal power comes from their ability to veto plans from PRDP for technical and process reasons. Their informal power comes from their history as designers of the program, their length of service, and their knowledge of REDD+. This is actually a worst-case organizational scenario for advisors. They can officially say "no", but they can't formally direct, so they end up managing by rejection. This gives them great official authority with no official accountability.

"On the upside, the advisors' informal management has kept the program moving forward – no question. But there has been a major downside too. This system has disempowered PRDP, particularly the Coordinator. Because almost all decision-making and authority rests in Jakarta, and the staff is taking direction from the advisors, the PRDP Coordinator does not have the power to coordinate or manage PRDP, even though that is their responsibility.

"You know, Fragmentation is a really good description of this situation. Anyway…

"The upshot is, to get the PRDP into Top-down, they will have to either imbed the necessary technical and managerial skills directly into PRDP's chain of command, or empower the chain of command and get the advisors to only work through it."

Mark sat back. "Wow, that's a lot to take in." he sighed. "Shouldn't the advisors' job be to make the line managers like Paulus, the Facility Manager, and the PRDP coordinator successful, not do the work themselves?"

"Exactly." Ginger nodded.

She continued, "And that's just PRDP. Let's look at the PO. It's the same situation: weak management, strong advisors, and disrespect of the chain of command.

"The fact that the PO leadership was divided created a vacuum that the advisors have filled. Because of their formal and informal power, they're able to confront, prevent, and sabotage management decisions. And if that isn't enough, a couple of advisors have direct access to OMIJ! If they don't like the direction management is taking, they talk to OMIJ, and then management has to respond to their issues through OMIJ. And from what this report says, they've seriously undercut Paulus with OMIJ."

Mark shook his head. "That's unacceptable in any structure. Colleagues just *cannot* go around a manager's back to the manager's boss."

"No, they can't." Ginger agreed. "And the OMIJ is similar."

"How so?" Mark inquired.

"While Mary has a lot of experience in OceAID, she is only working part-time, and she's not enforcing the rules, so to speak."

"What do you mean?" Mark ask again.

"Here's the biggest example." Ginger answered. "The MCC Advisor for IORDP was assigned to the PO and to work with the GoO Coordinator, but she resisted being located in that office. So now she is not advising IORDP, but rather sitting in the OMIJ office, more or less working on what she wants to work on and reporting back to MCC. This is another situation that's organizationally and managerially unacceptable."

"Wow.'" Mark responded. The two sat in silence for a moment, reflecting on how systems seem to recreate themselves throughout the large and complex program.

Suddenly, Mark sat up and exclaimed, "Oh my God, I can apply this to the program as a whole!"

"What do you mean?" inquired Ginger.

"It's like this." explained Mark. "If we look at who is ultimately responsible for getting REDD+ implemented in Indonesia, it is the Indonesians themselves – not us. But we've used our 'authority', our expertise and funding, to set up a REDD+ program that is essentially disconnected from any Indonesian system, or 'chain of command' if you will.

"We're like the advisors, jumping in to do things ourselves because we have the capacity, when we should actually be helping Indonesians implement REDD+ themselves.

"Now I get the REDD+ cycle Paulus was talking about last month. Our exit strategy should be a REDD+ initiative run by Indonesians."

Part 8: In which an empowered leader cleans up the program office

Meanwhile, those in Jakarta were dealing with the fact that the search for a champion in Canberra was a bust, and the program still desperately needed of one. Mary, the lead of the OMIJ, was in the best position to take on this role; she was in charge of oversight of IORDP and she had the skills and connections to promote the program in Canberra.

But, for personal reasons, she chose not to take on the role. She remained supportive of the program, and approved the restructuring of the PO to align with the adopted vision, mission, and strategies. However, she did not take up the heavy lifting necessary to drive the program to get its act together and move into the Top-down State.

This task was instead given to the Facility Manager, Susan. This position was the lowest in the chain of command that had any potential of moving the PO into Top-down. The Facility Manager reported up the Oceanian side of the chain, and thus had authority to spend money and make budgets.

However, in order to re-organize the PO, the facility manager position needed to be further empowered to manage the entire IORDP, not just PRDP. This meant that the two government advisors needed to grant Susan the authority to manage IORDP, and they did.

The GoI Coordinator agreed for a number of reasons. First, he was well aware that OceAID held the power of the purse, at least for the immediate future. Second, he saw that the new vision and mission would require the eventual transfer of the program from Oceanian control to Indonesian control. Third, he saw that bringing the program into Top-down would provide him and the Department of Forestry with the clear plans and budgets they needed. This agreement essentially moved the Ministry of Forestry-OceAID partnership into Top-down, with OceAID as the dominant partner.

The GoO Coordinator, Paulus, agreed because he recognized Susan's project management expertise as exactly what the project needed.

So, Susan, the third Facility Manager, was in a better position than her predecessors to pull the program together because she had been empowered by her direct supervisors.

To drive the program into Top-down, Susan had to accomplish three main goals. The first was to officially restructure the program and move staff into appropriate positions within the new structure. Second, she needed to set up a strategic framework, which could allow for the alignment of the program's management systems. And third, she needed to establish internal planning, reporting, and monitoring systems that would track program activities and achievements, and allow her to assess staff competencies and hold managers accountable.

Susan knew, after many discussions with Eric, that making these changes and moving into a Top-down State would not be easy, technically or politically.

First, the work to restructure, establish a strategic framework, and institute consistent management systems would have to be done with the program still in a Fragmented State.

This meant that while creating the foundation of a Top-down program, the program's current work would continue to be managed in an ad hoc manner, and only rationalized, step by step, as the new framework and systems are designed and implemented.

Second, the program was reporting to a Fragmented group, the OMIJ; therefore, even though Mary was supportive, getting official approval of the changes in structure, staff, and plans would not be smooth or easy. Instead, obtaining the necessary support from the OMIJ would be an ad hoc process.

Finally, moving from Fragmented to Top-down would actually increase stress: People and divisions would be held accountable for implementing and following management systems. Resistance would be inevitable.

As Susan and Eric discussed, the movement from Fragmented to Top-down moves people out of their comfort zones. Therefore, it was more than likely that some staff would voluntarily leave the program as they realized that they did not share the (now) clear vision and mission, or that they were not comfortable with the accountability of the new systems. It was also inevitable that some staff would have to be moved out, either because they could not accept the changes, or because there would be no position for them in the new structure. This meant that moving IORDP, which was entrenched in Fragmented, to Top-down, would be a marathon, not a sprint.

That said, Susan also knew that as the program moved into the higher Top-down State, many staff would come to see the actual and potential improvements, and become more and more excited by the changes. Thus, momentum would build, and eventually a tipping point would be reached, after which the program would settle into Top-down.

At the beginning of the engagement, CCP had estimated (assuming the presence of an empowered leader and full support from OceAID) that it would take nine months to move the program into Top-down. Clearly, these assumptions were not met, and the process took longer. But, step-by-step, Susan was able to move IORDP toward the Top-down State.

Almost two years into the process (and a year after CCP had finished working with IORDP), Susan wrote that CCP had "outlined the predictable changes that would take place as we started to move to a Top-down State. Without that insight, I would have felt anxiety about people's discomfort throughout the change process, but in this case I didn't at all. In fact I saw that *how* people reacted to change was an indicator of who was going to be comfortable in a Top-down environment. As the demands increased, those who were comfortable in chaos became uncomfortable, and the ones who wanted change became animated and excited about the future of the program."

Then, six months later, Susan again reached out to CCP. She reported, "I've been thinking about writing to you for a couple of months – actually since I sent out the monthly report for September and felt, for the first time, we'd arrived to where the program should be. IORDP is now being managed by managers – a strange idea to be sure – and we're now in full implementation mode. Anyway, I thought you might like to know where we ended up after you launched us on a new trajectory."

Part 9: In which an empowered expert cleans up PRDP

CCP had originally been brought in to improve the performance of PRDP. After almost a year, and after CCP's engagement had been completed, the PO was ready to focus on improving PRDP's work in the field. There was now a clear purpose for PRDP that directly contributed to the now explicit vision and mission of IORDP; there was a single leader in the PO; and there was a program implementation plan with straightforward, measurable goals and objectives. All that was needed was an empowered leader with the necessary expertise to manage the field program.

That position as leader of PRDP was discussed with the advisors; however, they were not interested in taking that role. Therefore, Nick, a forestry expert who had over a decade of experience working in Central Pulau, was brought on board as that leader.

He faced three challenges in moving PRDP into a Top-down State. The first was to enforce the chain of command, particularly from Jakarta to the field, which had to go only through him; there had to be no more directives coming from Jakarta directly to his subordinates. The second was to rationalize the planning, implementing, reporting, and financial systems around the structure that was developed in the program implementation plan. The third was to rationalize the staffing system, placing all staff under one personnel and administrative system, rather than different systems based on a staff member's home NGO.

Nick was able to do all of this.

His level of experience and expertise in management made the oversight role of the advisors in Jakarta redundant and unnecessary. This undercut the power of the advisors over line managers, and he was slowly, against their resistance, able to assert his managerial authority over his staff.

Working with the PO, he was able to establish clear management systems based on the framework established in the program implementation plan, making planning, gaining approvals, implementing, and reporting much more straightforward.

Finally, working with the PO, he was able end the contracts with the two NGOs referred to as "implementing partners" in the design document. With the ending of those contracts, he was able to hire back the staff he needed, and place them under unified management, administrative, and personnel systems. This had two great benefits: First, the staff was now clearly accountable to the program implementation plan and the PRDP coordinator. Second, the PRDP team boundaries were now clear, solving the problem of divided staff loyalties that had been plaguing PRDP since its inception.

These changes markedly improved the performance of PRDP in the field. The team was not only able to effectively complete activities that they had been struggling with for two years, but also able to strengthen their relationships with a majority of the communities they were working with.

Part 10: A post mortem and redesign at a dinner party, where we finally meet an Indonesian decision maker

Soon after CCP completed working with IORDP, a new government assumed power in Oceania. The new PM was a global warming denier, and reversed Oceania's policies regarding climate change. As a result, the project was cancelled and given one final year to achieve a revised set of goals, which they accomplished.

In Susan's words, "In that last year, IORDP helped deliver a carbon accounting system for INCAS, 40 research publications, a carbon emissions factor for peat, and an institutional basis for REDD+ in Pulau. These were key program objectives from the beginning. The only thing we couldn't deliver was the canal blocking and the trust fund – and only because OceAID stopped these. We would have romped in with them if they had let us!"

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It is now the end of that final year, and the project is all but closed down. The main principals have gathered at the home of Jenifer (the Research and Knowledge Management Advisor) for an end of program dinner party.

The group has just finished the *rijsttafel* (an Indonesian meal in the style of Spanish *tapas* or Levantine *mezze*), and a round of toasts begins. The first toast is to Susan, for taking the pieces that were left and delivering most of the program in the final year.

Susan stands up and thanks the group. "Paulus and Mary deserve credit, too. Without their support and the three of us working together to align the program, I couldn't have done much. So, thank you, Paulus and Mary.

"And," she continues, "let's not forget the Yanks, who helped get our chain of command straightened out, get Bruce for INCAS, and hold things together while we built our strategic framework."

Ginger, still seated, says, "They were helpful, but we sure did a lot of hard work ourselves, too! Things certainly continued to get back on track after they were gone. That said, I'm interested in looking at their partnership map to see how the program progressed.

"Let's see, almost two and a half years ago, every group and relationship of the program was Fragmented. What I mean is that the core groups, PRDP, INCAS, the PO, and the OMIJ, were fragmented. And the relationships among PRDP, IORDP, AJID, OceAID, MCC, and MFA were also all Fragmented. Right?"

Paulus adds, "And all the program's relationships with its Indonesian stakeholders, including local communities, local government, national government, and other groups working with REDD+, were also Fragmented."

There were nods of agreement around the table.

Ginger responds, "Thanks Paulus – That's important and quite true. Let's compare that situation with where we ended up."

She gets up and starts drawing on a whiteboard set up in the corner of the room. "Two and a half years ago, every aspect of the program was in the Fragmented State. Now, PRDP, with Nick in charge, is in Top-down; INCAS, under Bruce, is actually in Inclusive and has transferred responsibility to Indonesian leadership at the Forestry Research and Development Agency (FORDA); the PO, with Susan in charge, is in Top-down. The OMIJ is still Fragmented, but less so. And both the MCC and Ministry of Forestry have been aligned with the program in a Top-down relationship with OceAID."

The picture she drew showed both the before and after states of the program units and relationships (figure 10):

Figure 10: Changes the Partnership Capacities in the IORDP Partnership Systems
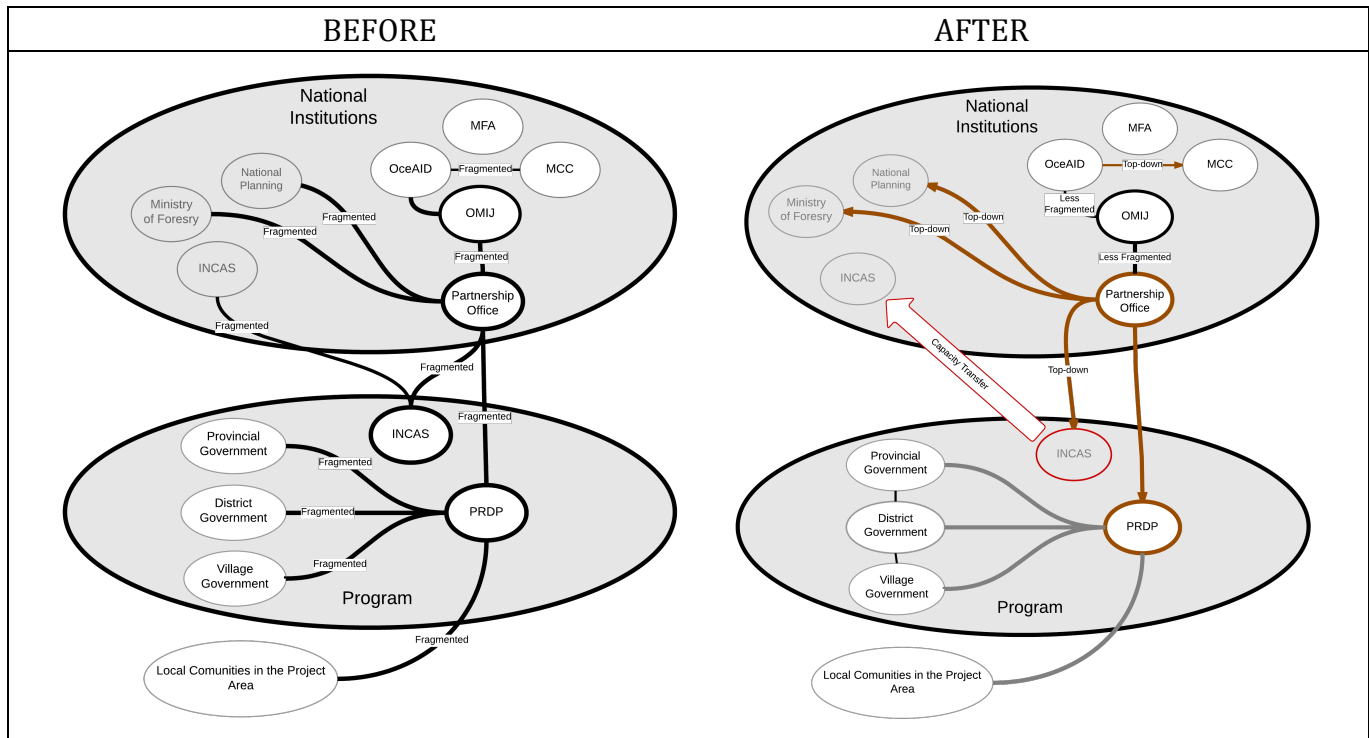
"So, how did we do it?" asks Ginger.

Paulus answers, "One thing that was key was the trip to Canberra. During that trip, we managed to bring in MCC under OceAID in the chain of command, use its expertise appropriately, and get Bruce to manage the INCAS project. Cheers to Bruce – He did a fine job at INCAS."

Bruce replies, "Cheers to the staff at FORDA! INCAS is now being run by the GoI, which is a great success."

Ginger continues, "And then there was the rationalization of the PO. Here's to Mary for helping bring the advisors appropriately into the chain of command, and here's to Susan for rationalizing the PO around a clear vision and mission and program implementation plan."

"It wasn't just me!" Susan insists. "I want to thank the two government coordinators: Pak Adi and the Ministry of Forestry for giving us the space to reorganize and clean up the systems, and Paulus for supporting these changes and allowing them to happen. I also want to give a toast for Nick, who took over PRDP, and really pulled it together, allowing us to finish up in an organized manner."

Jake then asks, "Remember how CCP claimed that improving cooperative capacity by one level would double our desired results? Did that happen?"

Mary replies, "I think so. OceAID was going to shut down the program sooner, before the trip to Canberra. Aligning OceAID and MCC, and presenting a clear vision, mission, and path forward saved the program at that time; it gave us some breathing space."

Jenifer then jumps in, saying, "From the research and knowledge management perspective, we were, at last, able to get our website going, and we were able to finally publish over 40 research papers. And our relations with the GoI improved. Would you agree with that last statement, Pak Adi?"

Adi replies, "I do agree, which is amazing given how truly terrible the relations were before. I was particularly pleased that the governor of Central Pulau wrote MFA, expressing his disappointment with the closing of the program; that would not have happened two and a half years ago."

Then Nick speaks up. "When I came in, PRDP was a mess. But much of the groundwork had been laid for the cleanup. With the strategic framework in place, it was possible to set up regular planning meetings between PRDP and the PO, and clean up the staffing and management systems. Things got quite a bit better as we went along."

Then Bruce jumps in. "The improvement for INCAS was more than twice as much. When I came in, that part of the program was basically dead. But we were able reestablish collaborative work with the Forest Research and Development Agency (FORDA), who are now running the program. So INCAS will continue. A toast and good luck to INCAS and FORDA!"

After a brief moment, Paulus quietly says, "Yes, there were great improvements over the last two and a half years. But, that said, we needed a full demonstration of the REDD+ cycle, and in that we failed."

Mary replies, "That's what Eric said."

"I know." replies Paulus. "I've said it over ten times, but you only heard Eric…"

"You know," Ginger adds, "that exchange sounds like a problem with the program that Mark and I saw after reading CCP's final report. They wrote that power, but not accountability, was held by folk outside the chain of command. This problem extended even to the design of the project itself, with Oceania holding the power, but, ultimately, Indonesia being accountable for reducing its own carbon emissions. Both internally and externally, those with the power, except INCAS, did not do a great job of building collaboration with those

actually in the chain of command, or in sharing and transferring power to those folks, who were really accountable for getting things done."

At this point, Susan suggests they take a quick break. "Then," she adds, "I'd like to come back and talk about what we learned and how we would design the program if we could start over."

Everyone nods in agreement, and stands up to stretch and refill their glasses.

Once everyone is back in the room and seated again, Ginger asks, "Mark, would you tell us why we should go forward with this redesign?"

Mark replies, "No, Paulus understands this better than me, and it is his country."

Without preamble, Paulus says, "One: Everywhere in the world, we need development without destruction of the environment. Global warming is getting worse, not better. The problem is life or death; it will be with us for decades, and REDD+ is part of the solution.

"Two: The rest of the world is working on REDD+; there are projects going on in fifty-three countries around the world.

"Three: Indonesia is moving forward with REDD+.

"Four: Oceania will return. Mark, you said this. Would you mind expanding on that point?"

Mark replies, "Because we have to, for all the reasons you just listed. The motivations for doing the project in the first place are still valid. Global warming represents a particular threat to Oceania."

Ginger rubs her hands together eagerly and says, "Okay then, let's do this redesign!"

"The first thing is to avoid the 'advisor trap'. The chain of command must be Indonesian, and the country must be both responsible and accountable for the development of REDD+ in Indonesia. The Oceanian role must be to support Indonesian efforts and to make Indonesian REDD+ champions effective and look good. So let's hear what Indonesia wants and needs to continue to develop REDD+, and then we can talk about what support Oceania can provide. And then, maybe, we can map out the relationships necessary to make Oceanian support effective.

"So," Ginger says, "I turn this question to our esteemed guest from the National Planning Agency, Pak Ahmad. Pak, what is Indonesia's goal for REDD+?"

Ahmad replies, "Indonesia needs to be part of a global carbon market, whatever form it takes; we need economic incentives as part of an integrated package to protect our peat and other forests. If we were under an enlightened dictatorship, we could force this to happen. But we aren't; we are an emerging democracy."

He looks pointedly at Mark, and says, "And if we were your colony, you could force us to do it. But we are an independent, sovereign nation. Therefore, we need to develop our own incentive-based solutions.

"I'd like to ask Pak Paulus, who is our resident REDD+ expert, if he'd talk about what Indonesia might need to make REDD+ work."

Paulus nods. "Very well. Let's go through the REDD+ cycle.

"First, we need to strengthen international carbon markets, which took a hit during the last recession. That could involve carbon credits for swapping, or even results-based payments for the reduction of carbon emissions. Either way, the strengthening of international financing for emissions reductions is very important.

"Second, we need to continue to develop national and regional support for REDD+, as well as the political capacity to refine and enforce the REDD+ systems being developed or already in place. We need to avoid bureaucratic games that make it hard for investors and other groups to register and implement REDD+ projects. We need to make it straightforward to initiate REDD+ programs. This means both supporting Indonesian REDD+ champions, and accounting for, and responding to, all the people who can ruin REDD+ in Indonesia, including those in national government, regional government, private business, and local communities. This is why Indonesians need to be in charge.

"Third, we have to promote REDD+ by supporting Indonesian groups to implement and demonstrate REDD+. We have at least one good example of this, and we need more.

"Fourth, we have to continue developing measures of carbon emissions so that we can create carbon credits that can be bought and sold. We have made progress with LAPAN, INCAS, and fieldwork under Colin and Nick. And we have examples from another project, which has already developed an internationally recognized baseline and documented the reduction of carbon emissions.

"And finally, the fifth spoke of the cycle is verification, and we know there are firms out there that can do this.

Paulus then looks at Ahmad and asks, "Is that correct, Pak?"

Ahmad replies, "Yes, that covers the situation nicely. Mark and Ginger, what do you think Oceania can do to help us?"

Mark chimes in, "Overall, I see three things we may be able to offer, if suitable. The first is for us to become better partners. The second is to help provide you with access to potential partners, internationally and in Oceania. And the third is the appropriate provision of technical and financial support.

"Let's look at each part of the REDD+ cycle and see, more specifically, what Oceania can offer.

"In terms of developing international market or funding mechanisms for REDD+, we must acknowledge that our two countries have different agendas, which do not always overlap. That said, we could improve our ability to work together in international negotiations when our interests coincide. To do that, we need to create high-level personal relationships between Indonesia and Oceania and openly share each of our nation's policies and

approaches to reducing carbon emissions and negotiating internationally. This relationship should also identify opportunities for collaboration in international negotiations.

"We could also provide support in identifying potential international partners, and if requested, technical and financial support for setting up government systems to manage or regulate interactions with carbon markets, carbon swaps, or results-based funding programs.

"In terms of developing enforced Indonesian REDD+ systems, we must acknowledge that Indonesia has to be in charge. Then, we may be able to help in a number of ways. First, we can educate our own bureaucracy and civil society that Indonesia will control the pace of its adoption of REDD+, so that we can set realistic goals for our work with Indonesia. This could be a mutual effort, and if you are willing to take the lead, we could support your efforts to educate the Indonesian bureaucracy and civil society on the importance and benefits of emissions reductions and REDD+. Finally, working with your REDD+ champions, we may be able to help break some logjams by linking other program approvals to REDD+ efforts, and providing incentives, such as scholarships and international training to support REDD+.

"As we now see it, the actual implementation of REDD+ activities should be conducted by Indonesian organizations. So there are two avenues of support we might be able to provide. The first could be to offer technical and some investment support to groups, such as NGOs or community-based organizations, who want to establish REDD+ projects. The second might be, if Indonesia wants to go this route, to support the creation of government-run or maybe even NGO-run REDD+ training and support programs that would guide and train all groups interested in investing in REDD+. I imagine we could offer technical and organizational capacity-building assistance, but of course we'd need to talk further. The point is, we want to provide appropriate support so that Indonesians can implement REDD+ projects. So we need you to tell us what you are doing, what you are planning, and what you may need, and then we can, together, determine the best fit in terms of what Indonesia needs and what Oceania can offer.

"Finally, regarding the development of carbon emissions measurement systems, IORDP did develop good relations with INCAS and LAPAN, and maybe we could build on this by offering continued technical assistance as requested by these two groups.

"These are just some initial ideas. We'd like to move forward in discussing some or all of them, but that depends on what you would like. We want to be clear that the driving force for these programs should come from Indonesia, and that we are willing to provide support.

"What do you think, Pak Ahmad?"

"It sounds very promising," replies Ahmad, "and I agree that a lot more discussion is necessary. If you are truly offering to support our efforts and want to help us succeed, then I think we have a good basis for exploring how best to work together."

The table falls silent as the group digests the conversation. Then Ginger speaks up. "I seem to have become the "partnership systems mapping person", and I'd really like to draw out

the potential partnerships of the work we've been discussing. I think it could help us on next steps. Is that okay with everyone?"

The group nods their approval.

Ginger stands up and draws a partnership system map on the whiteboard as she speaks.

"First, we could set up a high-level liaison between MFA and BAPPENAS or the Ministry of Forestry (or another appropriate Indonesian agency) to develop the relationships necessary to work together on international REDD+ negotiations.

"Second, to implement these ideas, we would need to work with defined teams, agencies, or organizations in Indonesia. For the sake of this really preliminary map, I am suggesting four groups, three with corresponding Oceanian support teams. These are: One, a team in Oceania to build support for REDD+ within the Oceanian bureaucracy and civil society; two, a team to support Indonesian champions in developing government and national support for REDD+ in Indonesia; three, a team to support LAPAN and INCAS as they continue developing a strong national carbon accounting system; and four, a team or organization that will provide support to an Indonesian training and technical support organization for REDD+ implementers."

Pointing to the whiteboard, Ginger continues, "Here, of course, I've drawn the critical relations between OceAID and its Indonesian and Oceanian partners (figure 11). Notice that I've shown all relationships as Top-down. This should be the state of the relationships early on in the project. As these relationships actually reach Top-down with the Indonesian side leading the way, we will need to work to move them to Inclusive. The more of these groups and relationships we can move into Inclusive, or higher, the more effective our efforts will be, and the greater our success.

"That said, each side will need to take responsibility for developing the cooperative capacity of their teams. From the Oceanian perspective, our first priority will be to get OceAID and what I'm calling the National Program Office into Inclusive."

Ahmad clears his throat and interrupts, "From this map, it's clear that getting

Figure 11: Partnership System Redesign
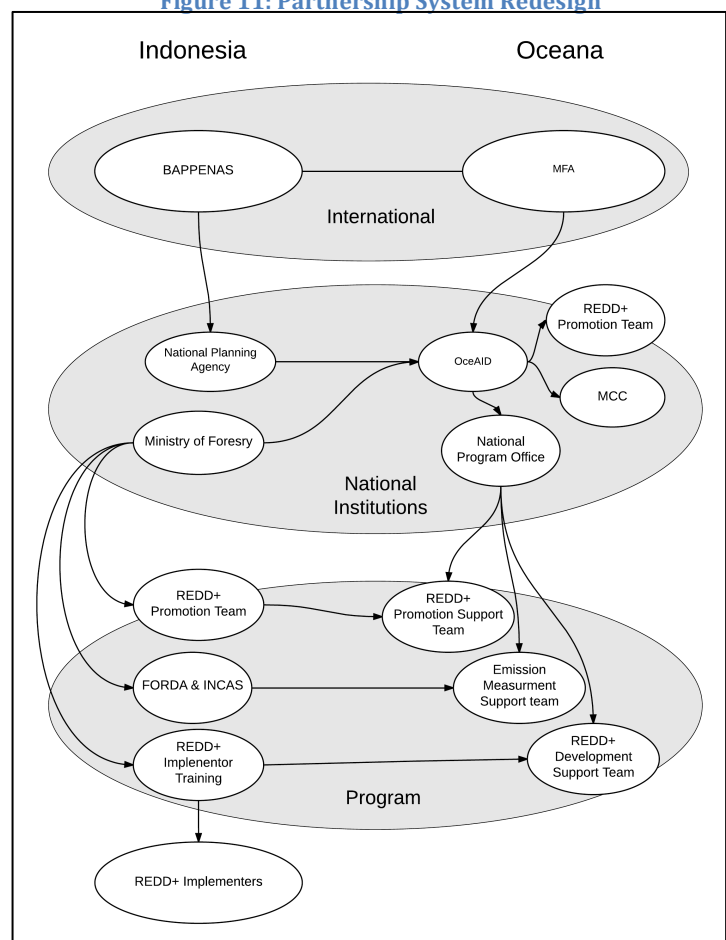
the Ministry of Forestry into Inclusive would have a great positive impact. But I don't think it's possible to move the whole ministry into Inclusive."

Ginger replies, "Right, moving the whole Ministry into Inclusive is way outside the scope of this project. But maybe we could work on moving its key teams involved in the project into Inclusive. We could identify them later and then add them to the map. How does that sound?"

"Better," answers Ahmad, "but still a challenge."

Ginger nods sympathetically. "Whew, this has gotten to be a long night! I bet everyone is tired. But before we head off, briefly: What does everyone think?"

Paulus answers first. "This is exciting. This mapping exercise is really useful for seeing the program's entire system."

Susan jumps in. "Agreed. And it's cool because it begins to clarify responsibilities and roles. I think I could easily organize a program around this."

Adi looks up and says, "If OceAID can really support Indonesian champions and let Indonesia lead the way, it will be a major breakthrough."

Bruce adds, "You know, if we can connect with the Indonesian REDD+ champions, these ideas are really doable."

It is now late. Ahmad rises and looks around the table. "I want to thank Mark and Ginger for this very interesting and productive dinner party. I think we have a good starting point for continued discussions. I'm looking forward to developing the new relationships committed to tonight, and fleshing out these ideas."

And with that, he thanks the group and wishes everyone a good night.

Suggested Further Reading:

UN-REDD Programme Regions and Partner Countries

World's Largest REDD Project Finally Approved in Indonesia