Development Partner Involvement in Policy Lab Creation Analyzed Through Brazil’s “MindLab Project”

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Abstract

This study analyzed a pioneer and exemplary case of establishing a policy lab by a technical cooperation with a development partner, more traditionally called a donor, and illuminated a fundamental trigger point that could aid such partner’s decision making on the involvement. The referenced case was Brazil’s “MindLab project” that created GNova with the support of Denmark’s MindLab. The study found that the success of the project was led by (1) well aligned expectations of the stakeholders concerned that contributed to focusing on design-led experiments, and (2) agile process that allowed a full range of adjustments fitted within the original time frame. The study shed light that technical cooperation driven policy lab creation needs to check on the contextual maturity for democratic governance as a laying ground. Meaningful technical cooperation in the line of policy lab creation is thus premised not on the economic power of the development partner as an Overseas Development Assistance (ODA) provider but on if the partner is versed in democratic governance. The referenced case indicated that it would be best if the development partner possesses the demonstrable track record in democratic governance that they can showcase in guiding the support recipient. (196 words)

Keywords: democratic governance, design-thinking, experiential, experimental, ODA
1. Introduction

The proliferation of policy labs as a means and safe space to understand increasingly complex social phenomena and then to identify and craft policy options has prompted policy researchers to look into various dimensions of these labs. For example, the 2021 special issue of *Policy Design and Practice* provided a timely platform to take stock of the lab scholarship to date, presenting the contour and landscape of policy labs as have emerged, which, according to (Wellstead, Gofen, & Carter, 2021), mostly since 2011. The compilation confirmed that numerous patterns of labs make a standardized definition of what they are difficult. Yet, conceptualization of three distinctive features of a policy lab was realized. They are (1) focus on innovation, (2) user-centric approach, and (3) design-thinking (Wellstead et al., 2021).

Along with the research on the present ecology of policy labs, a strand of research that investigated the labs’ evolutionary stages as generation of labs emerged. Founded on a three generation of lab concept by Danish scholars (Carstensen & Bason, 2012) who conceptualized its development journey inspired by Hattori and Wycoff’s terminology of innovation units (2002), Cole (2022) extended the concept by adding a fourth generation, drawing from the contemporary labs’ systemic nature (Blomkamp, 2022; Hassan, 2014; Zivkovic, 2018). The re-constructed four generation policy lab concept consists of: (1) creative platform, (2) innovation unit, (3) change partner, and (4) systemic co-design.

The elevated discussion as the policy lab literature matured is a truly welcoming phenomenon. The key word policy lab is now even heard among policy concerned professionals in developing part of the world where involvement of a development partner, more traditionally, a donor, is a typical arrangement in trying out new ideas. For parties who are still at the stage of considering if to deploy policy lab as a mechanism for policy exploration, however, jumping into the creation of a fourth-generation lab from the beginning is a high hurdle. In the first place, it could be argued that innovation is not necessarily ingrained in their public sector business, and some existence of barrier to it is seen as a default situation (Carstensen & Bason, 2012). Also, the notion of user-centricity or citizen centric public service delivery is at an advocating stage rather than that for incorporation in developing countries (Tsumagari & Gupta, 2019; World Bank Group, 2018).

This study then considered that there is value to learn from a well-documented predecessor case on how a policy lab was conceived with the involvement of a development partner in a form of a technical support. For the purpose of this study, technical support refers to a collaboration between a development partner country and an aid recipient country who together conduct activities within the overall guiding principle by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) (OECD, n.d.). On the concept of collaborative activities, this study used OECD’ definition of overseas development
assistance (ODA) that refers to government aid for economic development and welfare of developing countries (OECD, n.d.).

This study took the perspective of development partners who might be approached by ODA recipient countries for guidance and technical support in establishing a policy lab. These developing countries’ policy lab aspirants were assumed to be located in places where local predecessor cases were not readily available to reference and/or to emulate. Thus, they were dependent on the information and knowledge curated by the development partners. The objective of the study was to draw an analysis of the identified case that aids development partners’ decision making on engagement in policy lab establishment.

2. Method

This study looked for a referential case that was a government driven (i.e., public sector) initiative of establishing a policy lab, conducted as an international technical support between ODA provider and recipient. The adopted case was the creation of GNova at Brazil’s National School of Public Administration (ENAP). It was based on the request of the Brazilian Government to the Government of Denmark to assist develop “a laboratory for digitalisation and innovation in Brazil” (Danish Ministry of Health & Brazilian Ministry of Health, 2016, pp. 12-13). The study traced the birth of GNova with the technical support of Denmark’s MindLab, which was “a lab situated within the Danish government from 2002 to 2018” (Ferrarezia, Brandalise, & Lemos, 2021, p. 294). The technical cooperation was framed as a part of Denmark Government’s Strategic Sector Cooperation on Digitalisation and Innovation (SSC Digital) with Brazil.

This explanatory case study adopted an archival research approach consulting documentations and records by the professionals concerned from different angles with the birth of GNova. For contextual information, the study broadly consulted published materials including journal articles, project documents, and media records. Data that concerned during project implementation was largely drawn from a rich documentation compiled by Brandalise, I., Ferrarrezie, E., & Lemos, J. (2021) for its insightful and detailed descriptions on the first three years of GNova. The well-articulated descriptions is equal to “direct and unmediated images of organizations and work” (Hassard, 2011, p. 270) of ethnographic documentary. Thus, this research treated the documentations as a write up version of an ethnographic documentary that illustrates “grounded sociological insights into the ‘real world’ of institutions and occupations” (Hassard, 2011, p. 270).

The researcher looked into the matter from the perspective of someone tasked to design a technical cooperation project on behalf of a development partner. While the researcher used a project designer cum evaluator lens in line with OECD DAC’s project evaluation criteria, being mindful of the organic nature of the unfolding activities, she focused on the meaningfulness of activities beyond the usual evaluation assessments against outputs, impact, and sustainability (e.g., how many trainings sessions covered).
This researcher orientation is what Sadovnik (2007) defined as pursuing the meaning of human action as an object for study.

3. **Finding: Brazil’s “MindLab Project”**

This section presents a chronological narrative on the creation of GNova, “the pioneer innovation laboratory of the Brazilian Federal Government” (GNova, n.a.), through an international cooperation project implemented from 2016 to 2018 within the framework of Denmark Government’s SSC Digital with Brazil. The collaboration was signed between Danish Ministry of Industry, Business and Financial Affairs (MoIBFA) and the Brazilian Ministry of Economy as the supervisory entities. At the implementation level, technical assistance was provided by Denmark’s MindLab to ENAP, a host institution of GNova located in the capital of Brazil. The collaboration was conceived as “MindLab project (projeto do MindLab)” (Brandalise, Ferrarrezie, & Lemos, 2019, p. 21).

4. **Setting on the Part of the Recipient: Brazil’s Innovation Journey**

Promotion for innovation as an agenda pre-existed in Brazil’s public sector as a way for the sector’ modernization and improvement (GNova, n.d.), and by the time of the two country’s collaboration covered in this case, “a fertile ground for innovation initiatives” (Cunha and Severo, 2017, as cited in Ferrarezia et al., 2021, p. 294) was there as a context. Such an interest that resided in the Federal Public Service of Brazil had a leaning toward “technology or digital” (OECD, 2019). Brazil had the experiences of government sector innovation, such as through the establishment of LabHacker Innovation Lab (authorized under Resolution 49/13) in the Bureau of the Chamber of Deputies. Hosting of InovaGov network, a public sector innovation network established through a partnership of government bodies, went in parallel with GNova creation in 2016.

This is a country where pressures for citizen centricity had also been a long running agenda. For example, Extraordinary Ministry of Debureaucratization was established in 1979 with the mandate “to reduce interference in the activity of citizens and entrepreneurs, through decentralisation of decisions, simplification of procedures and the elimination of formalities where the cost is greater than the risk” (OECD, 2019). The social fabric weaved through the focus on innovation and citizen inevitably laid a foundation for the collaboration to prioritize its focus on design-thinking as a policy lab element whose concept had to be newly imported from Denmark. Denmark-Brazil collaboration for the creation of GNova was thus placed in the tide of Brazil’s innovation journey to ratchet up its innovation and citizen centricity while introducing design-thinking to take root in Brazil.
5. Setting on the Part of the Development Partner: MindLab as a Fitting Actor for Denmark’s International Cooperation

Strategic Sector Cooperation (SSC) was launched in January 2015 with the objective of funding partnerships between Danish public authorities and their counterparts in 14 “strategically important developing countries and growth economies” (The Danish Ministry of Foreign Affairs, 2017, p. 1). Twenty-nine SSC projects involving nine different Danish authorities were implemented (The Danish Ministry of Foreign Affairs, 2017, p. 2), and SSC Digital with Brazil was one such project (though it was more of a program within which GNova creation project was housed within.)

SSC initiative entailed two closely linked elements. Firstly, the cooperation addressed the partner authority’s sector challenges for which Denmark possessed relevant experience and expertise. Secondly, Danish Government posted a sector counsellor for the identified area at the Danish Embassy in the partner country. He or she performed the task of “coordinating the SSC projects locally for promoting wider strategic sector partnerships” (The Danish Ministry of Foreign Affairs, 2017, p. 1). The sector counsellor at Danish Embassy in Brasilia, Mr. Gustav Christoffer Jensen, elaborated on the fit of SSC Digital with Brazil as follows:

“In recent years, Brazil has sent several delegations to Denmark that all returned with strategies for digitalisation initiatives in Brazil. They looked at everything from the public services portals borger.dk and sundhed.dk to the Danish municipalities’ joint municipal service platform. These are all areas where Denmark has been a first mover” (Jensen, 2018, para 6).

Where over 100 policy labs were counted in the world (Price, 2015) and 65 located in European Union member states (Fuller & Lochard, 2016), MindLab had already gained a global recognition as one of the world’s first public sector policy labs (Carstensen & Bason, 2012, p. 7; Lee & Ma, 2019; The Govlab, 2016) for developing “creativity and innovation.”

6. Shaping of Two Country Partnership: Focus on Design for Digitalization

It was then set that Denmark’s MindLab would assist Brazil’s ENAP in developing GNova for digitalization and innovation of Brazil (Danish Ministry of Health & Brazilian Ministry of Health, 2016). In the minds of Denmark, creating a digital innovation center in close cooperation with MindLab provided an “an excellent platform for presentation of Danish knowhow and technology” (PEM Consult, 2020, p. 2).

For Brazil, creation of policy labs for innovation across the country’s public service was perceived to provide a valuable opportunity to explore different ways of working and collaborating with stakeholders, both external and internal. In addition, work in the digital transformation domain was understood as helping to explore what digitalization means for the public service, including “how it operates and what it offers” (OECD, 2019,
p. 94). The Brazilian policy lab was then understood as the driving force behind the
digitalization initiatives for new ways of thinking. The logic was: “Before you make
something digital, you should look at whether the work practices function properly, or
whether they need to be redesigned” (Jensen, 2018, para 12). The setting was then
firmed to focus on experimental approach with design-thinking as the core of SSC Digital
partnership.

7. Creating GNova

“MindLab project” (Brandalise et al., 2019, p. 21) was then launched. It was envisaged to
change the way the public sector conducts its activities and to offer services by
stimulating creative ideas and solutions, promoting user-centered perspectives,
articulating issues, and integrating efforts from different sectors (PEM Consult, 2020).
GNova’s mission was set “to promote innovation in the public sector to better respond
to society’s demands” (Ferrarezia et al., 2021, p. 294).

Year 1: Exposure stage to MindLab approaches and methods to determine what
to incorporate into the project. The initial year of the collaboration kicked off with
learning about the innovation methods and tools used by MindLab. Brazilian
representatives who were directly involved with the launch of the project, both from the
Government and ENAP, visited MindLab in Denmark, and took part in the envisioning
activities to sketch out their expectation for GNova. It was an important step at this
initial stage of the project life to align expectations for collaboration. MindLab’s Director
came to Brazil also, and facilitated discussion activities on the reason and value of
having GNova. He then conducted an introductory training on ethnographic design
method used by MindLab. During the year, the project interviewed stakeholders for
identifying needs and reflected them into the training planning. MindLab
representatives at this initial stage also made sure that they would familiarize
themselves with Brazil’s public sector innovation ecosystem.

Year 2: Roll out stage through hands-on training with the adopted techniques on
the real-life Brazilian cases. In the second year, the project moved to the application of
adopted techniques, with the Brazilian government officers as the participants of the
training. Senior Strategist of MindLab facilitated a process of criteria definition for the
selection of mini projects to be developed and executed at GNova, and with that basis,
training was implemented with a cycle of weekly meetings, in which the GNova team
tested the sequential application of techniques and tools from the Danish methods
guide. The topics covered included: mini project’s focus, design ethnography, pattern
recognition, ideation, prototyping and evaluation. In addition to face-to-face meetings at
GNova, videoconferences were organized with MindLab members in Denmark, where
experiences and approaches adopted in Danish experiences were shared and application
possibilities in the Brazilian contexts were discussed. The topics presented in these
opportunities were: service design, tips for working with insights, presentation of a case
study of the MindLab, use of interviews and audios. This period of implementation made Brazil’s MindLab to realize that the project should pursue two different aspects going forward: They were (1) transversal (overarching) as a whole, and at the same time (2) specific relevance to each case chosen. With a newly identified mission to be mindful of nuances and relevances, the working principle of GNova concerned representatives was adjusted.

The experiential mindset of GNova was well articulated in the description by (Ferrarezia et al., 2021):

“GNova’s projects are carried out in partnership with federal public institutions. That means that the partners bring specific challenges, and the civil servants responsible for each (mini-)project work alongside the lab’s team, which differs from traditional consultancy work” (p. 294).

Year 3: Consolidation stage to confirm what has become GNova way of MindLab working. In the final year of collaboration, the partnership focused on reflection and evaluation of the project. An emphasis was placed on reviewing GNova’s value proposition built up over the course of two years and reflecting it into the day-to-day lab activities so that it would take root beyond the project life. Interviews were carried out to take stock of the development over the course of the project period, and learning was documented from the context of broader reflections on government laboratories. It was an election year, and with a strong will to become a durable institution beyond the life of the prevailing administration, the project considered it was important to assess its deliverables and to become able to communicate the generated value.

8. Discussion: Analysis for Development Partners’ Entry Decision Making

From the point of project input (such as study visits, consultant’s facilitation, execution of training, etc.), activity components of the project are no different from what are found in a standard capacity development project. The cyclical arrangement of the project, from exposure to implementation, followed by reflection and evaluation, is also a regular setup as a development partner supported technical cooperation. Then, what made this project stand out from other development partner funded and facilitated technical cooperation?

8.1 Project’s Unique Strengths that Pulled Successful Implementation

Looking from the lens of OECD DAC (OECD, 2019), contrasting features against traditional projects emerged. The most striking characteristics are (1) well aligned expectations of the stakeholders concerned that contributed to focusing on design-led experiments, and (2) agile process that allowed a full range of adjustments fitted within the original time frame. Discussion below is in light of the six evaluation criteria determined by OECD DAC Network on Development Evaluation (EvalNet): relevance,
coherence, effectiveness, efficiency, impact, and sustainability (OECD, n.a.).

Relevance: Is the intervention doing the right things? From the beginning, the expectation alignment of the two parties, Brazilian side and Danish side, was carefully and thoroughly attended. High stakeholder interviews were conducted along with the environmental scanning to holistically understand the prevailing situation at the start of the project, and the resulting finding was fed into the direction setting accordingly. The exposure visit of Brazilian representatives to MindLab in Denmark was remarked as a moment of initial alignment of expectations and knowledge of the parties for building the foundations for future relationship.

Coherence: How well does the intervention fit? Both sides acknowledged that the project was not meant to simply, quickly, and mechanistically expose Brazil’s public sector to digitalization, but it was rather a technical support that should go into the heart of citizen services. With that deep thinking, MindLab consultant participated in the events of Brazil’s service innovator network, to get to know the public innovation ecosystem, similar initiatives, and potential partners. Since creation of GNova was approached with an experimental angle, the project was allowed with the room to make corrections/adjustments on its course based on each discovery. Also, on-site involvement of the creator of MindLab in the project activities in Brazil added indispensable value that was fully absorbed by the project concerned parties and was definitely a noteworthy point.

Effectiveness: Is the intervention achieving its objectives? Once the direction was determined, the project moved onto an experiential training cycle of running practical exercises with public sector staff bringing their real-life problems (as earlier noted as mini projects.) In running the cycle, the project was reported as having moved into addressing nuances of each mini project case rather than just running the training cycle. There, based on their own awareness of the problems, the training participants could communicate their wishes for problem solving with the aid of GNova trainers for concretizing how to address issues to lead to a solution.

Efficiency: How well are resources being used? The project reviewed each step as it progressed and applied the finding as the foundation for the next step with necessary adjustment, thereby capitalizing what they achieved onto the next sequence without leakage. No sign was seen that required prolonging the project with extension due to delayed or unsatisfactory matters, which is often seen in development partner involved aid projects. Moreover, the input of the technical support was converted not only into the training output but into the results on the ground as it moved.

Impact: What difference does the intervention make? The training cycle included weekly meetings, in which GNova team tested the sequential application of techniques and tools from the Danish methods guide such as design ethnographic, pattern recognition, ideation, prototyping and evaluation. In addition to face-to-face meetings with the Brazilian consultant, videoconferences were held with MindLab members in Denmark for sharing specific experiences and approaches adopted in Danish
experiences, as well as clarification of doubts and discussion of application possibilities in the Brazilian context. The meticulous sequencing of live exposure to MindLab techniques and tools, followed by application of them into own problems and issues with MindLab’s guidance was a carefully crafted project arrangement to trigger durable impacts.

**Sustainability: Will the benefits last?** The project knew that a change in the hands of the government was imminent (in reference to the election of October, 2018) and pro-actively prepared for post-election uncertainties of GNova by reflecting and assessing its deliverables and values that were realized through the project implementation. Based on the recognition that the third year was the final year of the project cycle, it focused on what the project would leave behind and cemented the results into documentation so that there is proof. In other words, the project was conscious of concretizing its results to a shape that would sustain beyond the life of the project. As acknowledged by the GNova team, if the project results would sustain in the participated civil servants outside the lab was uncertain due to forces beyond the control of the lab or the civil servants themselves, such as resistance to innovations at the host government of the civil servants (Ferrarezia et al., 2021). Nonetheless, the project did all it could which was within their control.

### 8.2 Estimating Contextual Maturity for Technical Cooperation Driven Policy Lab Creation

In the ODA world, there exists a conventional idea that hardware assistance, such as construction of roads and dams, is the primary vehicle of development support by external sources, and technical assistance (soft component) on how to use the infrastructure/equipment accompanies as an accessory or an ancillary service. One often finds it difficult to break such traditional thinking by trying to bring in progressive approaches and/or stand-alone capacity enhancement activities without infrastructure component. Such mental barrier is called path dependence. In the mind of people familiar with and soaked in traditional assistance, a lab infrastructure (such as building and equipment) might be perceived as the main determinant for ODA induced policy labs. Then, how it is utilized becomes a secondary interest. Since ODA occurs between the government bodies, public sector’s barrier to innovation (Carstensen & Bason, 2012) could be another challenge. Furthermore, while user-centricity or citizen centric public service delivery has already become a topic of development partners and host governments for some time, it is still more for advocating the theme rather than operationalizing it (Tsumagari & Gupta, 2019; World Bank Group, 2018).

Under such business environment of the industry, this study illuminated that Brazil’s “MindLab project” was a clear embodiment of applied soft technology transfer from Denmark to Brazil, based on a confirmed focus on design-led experiments for digitalization. Where there is soil for innovation and pressure towards user minded...
service delivery, pursuit for new approach/method to make real changes through design approach, as offered by MindLab, beautifully blossomed. Here, the three points raised by the policy lab literature as its essential components, namely, (1) focus on innovation, (2) user-centric approach, and (3) design-thinking, are all ingrained, giving development partners important clues to think about if the ground is ready for their involvement towards a success. Based on what was materialized during the implementation of the project with tangible foundation of a new policy lab pulled by the partnership, Brazil’s “MindLab project” was an exceptionally successful project with the necessary triggers inherent. From another angle, the potential for its replicability resides if preconditions are satisfied. Then what would be the trigger condition(s) and how can we judge when a new potential case is ready for a development partner intervention?

From the experience of Brazil, we learned that innovation must be addressed in a synchronized manner with democratic governance, because “all other things being equal, there are systemic biases in the way that democratic governance systems currently operate that lean against innovation” (OECD, 2019, p. 47). This study considers that a proxy indicator of democratic governance might offer a key indication of core preparedness and/or maturity for a policy lab creation. It is albeit with a caution that measurement for democratic governance is not an area with broad consensus (Munck, 2005) and one needs to make own judgement on the adoption of a particular measure.

Out of a variety of measurements, the Variety of Democracy (V-Dem) dataset by V-Dem Institute based at the Department of Political Science of the University of Gothenburg in Sweden offers potential: It is a composite and multidimensional dataset compiled from 30 million data points stretching over 202 countries. Its particular merit for the purpose of this study comes from the way V-Dem dataset can be referenced in a desegregated manner into five high-level principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian (Varieties of Democracy, 2022). For the purpose of policy lab creation aptitude, V-Dem’s participatory component index offers a proxy measure, as it captures aspects of citizen participation, an essential element for a policy lab aptitude. If we look at the positions of Denmark and Brazil by this index, we find that Denmark ranked the 7th and Brazil the 59th out of 179 countries surveyed for 2021 dataset. In other words, Brazil’s MindLab project was implemented for a technical support by a country highly matured on citizen-centricity to a middle level country who was eager to upgrade their standing. Other development partners and potential ODA recipients can benchmark themselves by looking at how their position fares in this sense making exercise.

For example, Japan has been recognized as one of the main players in the world of ODA with the third largest contribution of US$17.6 billion in 2021 (current prices) only after the United States and Germany (OECD, 2022). However, by V-Dem’s participatory component index for 2021, she is at the 73rd, slightly higher than Brazil. This figure suggests that Japan is not a respectable player for democratic governance domain commensurate with the position in the ODA volume ranking. As such, one can question
and should scrutinize if a development partner will be a competent counterpart for a policy lab creation collaboration.

9. Conclusion

This study analyzed a pioneer and exemplary case of a development partner involved creation of a policy lab and shed light on a fundamental trigger point that development partners could reference for when similar support requests are brought in. The objective of the study was to draw an analysis of the identified case that aids development partners’ decision making on engagement in policy lab establishment. An initial question to be raised for the involvement is: Is it for the purpose of improving innovation capabilities so that civil servants can serve society more effectively, or is it simply a request for equipment donation? If for the former, the intervention’s potential value is there as a kickoff for the mindset transformation of the public servants concerned, provided that there is some foundation for commitment for innovation and citizen-focus. If for the latter, the assistance should rather be framed as a more traditional equipment donation than as a pretense of policy lab creation.

Even if the instance was that of the former, the outcomes would be dependent on a sound operationalization of the lab that meets the characteristics of (1) focus on innovation, (2) user-centric approach, and (3) design-thinking, as the lab scholarship presented. Without making the lab to accord with these characteristics, capacitation of civil servants’ innovation competency might not lead to envisaged results set forth as the goal of a development partner intervention project. Above all, what is critical is if a development partner possesses the required technical expertise along with the flexibility required for the organic nature of the policy lab creation, as evidenced by the way “MindLab project” in Brazil entailed. More specifically, the key is whether development partners can, based on the foundation of democratic governance, bring in design-thinking into the structure and process of the intervention.

The referenced case, Brazil’s “MindLab project,” presented a critical departure from traditional technology transfers by development partner involved intervention. Meaningful technical cooperation in the line of policy lab creation is thus premised not on the economic power of the development partner as an ODA provider but on if the partner is versed in democratic governance. The referenced case indicated that it would be best if the development partner possesses the demonstrable track record in democratic governance that they can showcase in guiding the support recipient.

References
