

BLOG

Institutional Readiness & Governance Stability : Success factors for digital transformation interventions





As implementers, we often get asked how one overcomes 'pilotitis' - the tendency for digital projects to end after the pilot stage before becoming institutionally embedded and creating an impact. While technical intervention design can help with this, alone it is insufficient to deliver sustained impact. Empirical data from years of implementation demonstrates that intervention success hinges on a unique interplay between **internal institutional capacity (readiness)** and the **broader governance environment (stability)** both of which operate outside of the technical design of an intervention.

By assessing both institutional readiness and governance stability specifically, implementers gain a predictive understanding of their operating environment. The framework also helps clarify expectations about the pace and scale of change that can realistically be achieved. Ultimately, the goal is to ensure that initiatives contribute to lasting institutional change rather than remaining isolated technical experiments.

Importantly, we do not view this framework as a static, upfront diagnostic. Grounded in programme evidence, it is designed as a tool for continuous evaluation methodology. Throughout a project's lifecycle, these same criteria are periodically re-evaluated to track progress, measure institutional shifts, and dynamically determine the next strategic steps.

While this framework is described here in relation to data and digital interventions, the underlying evidence base proves that these exact institutional factors can and should be assessed to determine partner fit for any type of development or governance programme

The framework's two core dimensions

Our proposed Municipal Readiness Framework considers two key dimensions that strongly influence programme success.

- **Institutional Readiness:** this reflects the municipality's internal capacity and commitment to implementing data transformation initiatives. This includes the presence of programme leadership, dedicated project teams, technical capacity, data champions, and mechanisms to embed data work within operational processes.
- **Governance Stability:** this reflects the broader external environment in which the municipality operates. This includes the stability of political and executive leadership, continuity among officials, and the municipality's overall governance and financial environment.

Together, these two dimensions create a simple framework that helps determine where data programmes are most likely to succeed and how interventions should be structured. Details and examples are shared below.

	Phase 2	Phase 3
High Institutional Readiness	Scale and Embed	Pilot and Demonstrate Value
Low Institutional Readiness	Build Foundations	Pause

Outcome 1: Scale and Embed

Municipalities that demonstrate both high institutional readiness and high governance stability represent the strongest environments for successful data and digital programmes.

In these contexts, the municipality already possesses many of the internal capabilities needed to sustain digital transformation. Programme teams are in place to guide strategy and implementation, departments are able to collaborate on use cases, and technical teams are capable of maintaining systems once they are developed. At the same time, relatively stable political and executive leadership ensures that initiatives receive consistent strategic support and can be aligned with longer-term municipal priorities.

In these environments, data programmes should focus on scaling and institutionalising data practices. Rather than concentrating solely on pilot use cases, the emphasis should shift toward embedding data governance within organisational structures, integrating digital systems across departments, and building long-term institutional capacity. Interventions in these municipalities may include developing comprehensive data strategies, establishing governance structures for data management, expanding interoperable data platforms, and integrating data practices into planning, budgeting, and service delivery processes. Because the foundational conditions are already present, these municipalities are well positioned to become demonstration sites for broader sector transformation and can often serve as models for replication across other cities.

Outcome 1: Scale and Embed

Municipality A as a case study

Municipality A is a case where strong institutional readiness and governance stability have enabled the successful scaling and embedding of data practices. The formal adoption of a data strategy, supported by political buy-in and the appointment of a Chief Data Officer, has provided a clear organisational “north star” that aligns efforts across departments and reduces fragmentation. This has been reinforced by the transition from a decentralised data science function to a formalised Data Analytics Hub, creating the institutional authority and resourcing required for long-term sustainability. Governance structures such as the Data Working Group and Data Governance Committee have further embedded accountability and coordination across directorates, ensuring that data-related decisions are both standardised and strategically aligned. Critically, this enabling environment has allowed the municipality to move beyond isolated use cases toward integrated, organisation-wide systems.



Outcome 2: Pilot and Demonstrate Value



Municipalities with high institutional readiness but lower governance stability occupy a more uncertain but still promising space for data initiatives. In these environments, committed officials, technical teams, and internal champions may be actively working to improve data practices. However, instability at the political or executive level, such as frequent leadership changes or shifting policy priorities, can make it difficult to sustain long-term institutional programmes.

In these contexts, the most effective approach is often to focus on targeted pilot projects that demonstrate the value of data-driven approaches. Well-designed use cases can create tangible improvements in efficiency, transparency, or service delivery, helping to build broader support for data initiatives across the municipality.

These pilots serve two important functions. First, they provide practical demonstrations of how data can address real operational challenges faced by municipal departments. Second, they help maintain momentum among internal champions, even when broader institutional reforms are difficult to sustain. Over time, successful pilots can help build a coalition of support within the municipality, making it easier to institutionalise data programmes once governance stability improves. In this sense, pilot projects act as strategic entry points that keep progress moving forward even in uncertain governance environments.



Outcome 2: Pilot and Demonstrate Value

Municipality B as a case study

Municipality B where relatively strong institutional intent and emerging governance structures have not yet translated into stable conditions for full implementation. The municipality demonstrated clear commitment to improving its data practices, including the development of its first data strategy, the establishment of a Data Working Group, and the creation of a foundational data registry that mapped systems, metadata, and data ownership for the first time. However, the attempt to implement an integrated dashboard to address fragmented customer data across four disparate systems was ultimately stalled due to institutional and legal constraints. While this prevented the delivery of the technical solution within programme timelines, the process itself played an important role in demonstrating both the value of interoperability and the barriers to achieving it. In this context, the use case functioned as a pilot that surfaced critical institutional constraints, built internal awareness, and strengthened the municipality's conceptual readiness. This reflects the role of targeted pilots in such environments: not only to deliver immediate outputs, but to maintain momentum among internal champions, build credibility, and lay the groundwork for future implementation once governance stability improves.



Outcome 3: Build Foundations

Municipalities with high governance stability but low institutional readiness often possess favourable external conditions but lack the internal capacity required to fully implement data initiatives.

In these contexts, leadership structures may be relatively stable and supportive of innovation, but the municipality may not yet have the organisational capabilities required to manage data programmes effectively. Programme teams may be absent, technical capacity may be limited, and departments may lack experience working with data-driven tools or processes. For these municipalities, the priority should be to build foundational capabilities before attempting large-scale data interventions. This includes establishing programme leadership structures, developing basic data governance frameworks, and building internal capacity among officials.

Initial interventions may focus on developing a municipal data strategy, creating communities of practice to build data literacy among officials, and identifying internal champions who can support future initiatives. Technical pilots may still be useful in these environments, but they should be designed primarily as learning exercises that help build institutional capacity rather than as fully operational systems. By focusing on foundational capacity-building, these municipalities can gradually create the conditions necessary for more ambitious data programmes in the future.

Outcome 3: Build Foundations

Municipality C as a case study

Municipality C illustrates how stable governance conditions can provide an enabling platform for building foundational data capabilities, even where institutional readiness is still emerging. Through the programme, strong leadership support, particularly from the Municipal Manager, enabled the development of a data strategy that was embedded within formal governance structures and supported by an active Data Working Group, creating shared ownership across departments. While early progress was relatively rapid, sustained advancement has required ongoing advisory support, structured coaching, and iterative refinement of governance arrangements, alongside active participation in the Mijibora Community of Practice to build confidence and shared learning. Rather than prioritising complex technical deployment, the engagement has focused on strengthening institutional “muscle” by building systems, processes, and internal champions, laying the groundwork for more advanced data initiatives and reinforcing the principle that foundational capacity is a prerequisite for sustainable digital transformation.



Outcome 4: Pause

Municipalities that face both low institutional readiness and low governance stability present the most challenging environments for sustained data programmes.

In these contexts, frequent leadership changes, administrative instability, or governance challenges can make it difficult to maintain a consistent strategic direction. At the same time, the municipality may lack the internal teams, technical capacity, or institutional champions required to implement and sustain data initiatives. In such situations, continuing to invest significant resources into complex data projects may not produce meaningful impact. Projects risk remaining isolated pilots that cannot be maintained once external support ends.

In these environments, the most responsible course of action may be to provide minimal support by inviting them to the existing communities of practices. Rather than pursuing technical solutions that cannot be sustained, programmes may focus on maintaining relationships, sharing knowledge, and identifying future opportunities for re-engagement once institutional conditions improve. Importantly, exiting or pausing a project should not be viewed as a failure. Instead, it reflects a recognition that institutional transformation requires certain minimum conditions to succeed. By reallocating resources toward municipalities where impact is more likely, programmes can ensure that investments generate meaningful and sustainable outcomes.

Outcome 4: Pause

Municipality D as a case study

Municipality D illustrates the complexity of working in environments where both institutional readiness and governance stability are constrained. While early momentum was driven by committed internal champions, the broader institutional context, characterised by leadership instability, staff turnover, entrenched silos, and procedural barriers, ultimately limited the programme's ability to sustain impact. Several use cases became untenable and were strategically closed, reflecting the reality that technical solutions cannot take root without a supportive enabling environment. Despite this, the programme played an important interim role as a capacity buffer during a period of institutional disruption, helping to preserve foundational progress through co-design and advisory support when internal capacity was significantly weakened. Encouragingly, early signs of recovery are emerging, including movement toward formalising a data strategy, proposals for dedicated data leadership roles, and pockets of cross-departmental collaboration. However, the experience reinforces a critical lesson: in the absence of minimum enabling conditions, serious safeguarding and data ethics issues may creep into interventions - doing more harm than good. Pausing or exiting intensive support is not a failure, but a necessary strategic decision to ensure resources are directed where sustainable impact is achievable, while maintaining relationships for future re-engagement when conditions improve.



Conclusion



True innovation in the public sector requires an honest appraisal of environment and capability. The Municipal Readiness Framework shifts the focus from purely technical delivery to long-term institutional resilience. By embracing structured stage-gates and adaptive tracking (i.e. knowing when to scale up, when to pivot to foundational capacity, and when to responsibly pause) implementing partners can mitigate risk and safeguard valuable public resources. Ultimately, mapping interventions to the realities of local governance ensures that data strategies do not simply expire as isolated experiments, but mature into permanent structural pillars for smarter, more responsive cities.

For more information and to conduct a readiness and stability self assessment please see:

<https://opencitieslab.gitbook.io/open-cities-lab-data-strategy-toolkit/finding-your-starting-point/understanding-your-context>



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