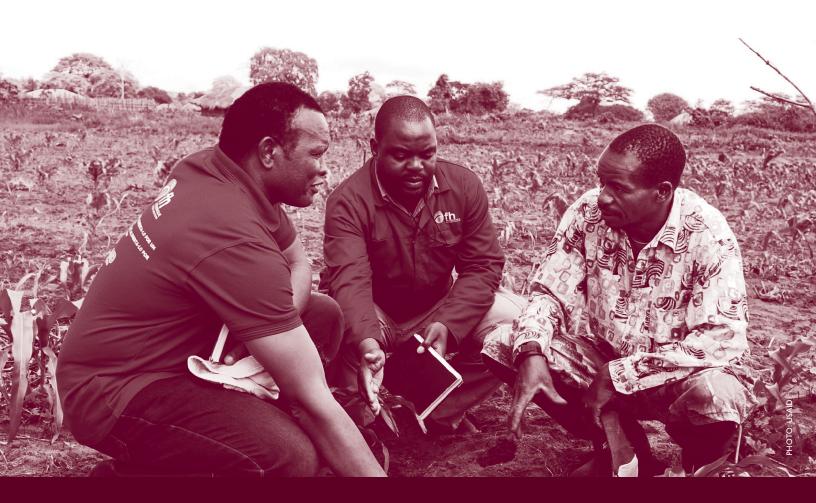LAB EVALUATION, RESEARCH, AND LEARNING PLAN

ADAPTIVE MANAGEMENT DEEP DIVE

SUMMER 2019 UPDATE

PHOTO: USAID

QUESTION 2

Collaborating, Learning, and Adapting (CLA)

![USAID FROM THE AMERICAN PEOPLE]

U.S. GLOBAL
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This Evidence Deep Dive is a companion to the Question 2 Evidence Brief, produced as an output of the U.S. Global Development Lab's Evaluation, Research, and Learning (ERL) Plan - a utilization-focused learning agenda supporting evidence-informed decision making in Lab operations and science, technology, innovation, and partnerships (STIP) programming. A process and set of products, the ERL Plan facilitated Lab learning and adaptation around four bureau-wide areas of inquiry: uptake of products, services, and approaches; adaptive management tools and practices; support to awardees and partners; and sustainability of results.

Insights from the ERL Plan are shared here as a record of emerging opportunities for evidence-based adaptation that could be acted on by USAID and other development actors. This work also contributes to the evidence base for the Agency-wide Self-Reliance Learning Agenda - an effort to support USAID as it reorients its strategies, partnership models, and program practices to achieve greater development outcomes and foster self-reliance with host country governments and our partners.

INTRODUCTION

Known barriers to adaptation can be divided into three categories:

- **Information Barriers** (e.g., not having the right information at the right time)

- **Structural/Process Barriers** (e.g., our own procurement policies and contract management practices)

- **Internal and External Value Barriers** (e.g., our own organizational culture and tolerance for risk, the organizational culture of our partners, or misalignment of our values to those of the beneficiaries)

This deep dive expands on the material presented in the *Question 2 Evidence Brief,* providing more robust findings, conclusions, and recommendations for specific approaches that can be used to overcome barriers to adaptive management. It answers "what", "so what", and "now what" questions for each approach:

- **How can the Lab/STIP best support Agency programming to adapt** within shifting environments?

- **What does this mean for us** (in the Lab/at USAID/as development practitioners more broadly)?

- Given this information, **what should we do going forward?**

APPROACH: ADAPTIVE PROCUREMENT PRACTICES

CLA is a mandatory set of practices within the USAID Program Cycle and should not be considered as "optional". It is discussed here to highlight the fact that it encompasses other AM approaches, which can be used to operationalize CLA.

CLA is a set of practices that help us improve our development effectiveness. Learning has always been part of USAID's work, and most USAID Missions and implementing partners are already practicing CLA in some way. Integrating CLA into our work helps to ensure that our programs are coordinated with others, grounded in a strong evidence base, and iteratively adapted to remain relevant throughout implementation.

The systematic application of CLA approaches, led by people who have the knowledge and resources to carry them out, enables USAID to be an effective learning organization and thereby a more effective development organization.

- Integrating CLA throughout the Program Cycle can help development practitioners address the following:

- Collaborating: Are we collaborating with the right partners at the right time to promote synergy over stove-piping?

- Learning: Are we asking the most important questions and finding answers that are relevant to decision-making?

- Adapting: Are we using the information that we gather through collaboration and learning activities to make better decisions and adjust as necessary?

- Enabling Conditions: Are we working in an organizational environment that supports our collaborating, learning, and adapting efforts?

BUILDING RESILIENCE IN SOUTH SUDAN —
2017 CLA CASE COMPETITION WINNER

PROBLEM: The ongoing and worsening humanitarian crisis in South Sudan places a priority on the delivery of basic foods, medical services, and protection to South Sudanese civilians. To date, the government lacks the capacity to deliver basic services including security. The country is suffering from economic collapse and disruption of trade, markets, and cultivation activities due to violent conflict. Plagued by a man-made famine, over one-third of the population has been displaced, while humanitarian access remains restricted in many areas. PROPEL was designed to contribute to the USAID/South Sudan Mission goal to operationalize a resilience agenda through joint humanitarian and development analysis, planning, and implementation. Following the startup of project activities in late 2015, multiple modifications and changes in the operating context and Mission priorities significantly affected the CLA design. A planned second and third cohort of target communities had to be cancelled, removing an opportunity to apply learning and test methods. In addition, an overall reduction in donor development funding and an increased focus on humanitarian assistance reduced opportunities to share learning among development partners. While PROPEL is adapting final learning deliverables to inform both humanitarian and development interventions in consultation with the Mission, such challenges are likely to face CLA initiatives in many fragile states.

SOLUTION: PROPEL's challenge was to place a developmental focus on people and places subject to recurrent shocks and stresses. One way to support this developmental shift, after decades of a primarily humanitarian approach to aid, is to focus on learning for adaptive management, so as to understand how methods used by humanitarian and development actors can combine to strengthen long-term community resilience. PROPEL activities more directly tackle development needs such as program sustainability, local participation, and capacity gaps among local actors. Embracing CLA empowered the team to build local capacity by integrating work across sectors and disciplines to help struggling communities attain or retain greater autonomy.

OUTCOME: PROPEL's robust evidence base was valuable in ongoing discussions with the Mission regarding the value and relevance of selected projects that were at risk of being canceled due to changing priorities. Documentation of community priority needs and conflict factors was used to clarify the rationale behind project selection; this provided the necessary justification for USAID project approval, thereby avoiding delays and cancellations. Flexibility on the part of the Mission and CLA mechanisms empowered senior management to support and encourage field teams to pivot quickly in response to rapidly changing conditions on the ground.

PROPEL capitalized on the real-time information flow from communities to field teams and senior management to allocate funding accordingly. This process proved crucial in responding to a cholera outbreak affecting PROPEL communities or drilling additional boreholes when demand for clean water increased significantly due to a large influx of internally displaced persons. Beneficiaries reported more inclusive and efficient consultation and decision-making mechanisms that left communities better prepared to respond to and address key drivers of conflict. The successes cited by communities largely relate to addressing and resolving local disputes and conflicts. The fact that localized conflicts are the most pressing hardship is relevant for CLA in fragile contexts more generally; an attentive and responsive approach to development strengthens rather than bypasses local decision-makers who are key to achieving community resilience.

BUILDING RESILIENCE IN SOUTH SUDAN (CONTINUED)

CHALLENGES/CAVEATS: Barriers to effective CLA implementation related largely to three features of operating in a fragile context as follows: 1) The deteriorating security situation in South Sudan during this period gave rise to changing Mission priorities that impacted project funding and direction, particularly through the reduction of geographic scope and time frame; 2) These changing Mission priorities generated program interruptions and periods of uncertainty that interfered with applying learning to programming, simply because it was difficult to plan; and, 3) Difficulties for the MERL team and senior management in accessing certain geographic locations were a constant challenge when carrying out CLA via remote management.

CLA FINDINGS – WHAT DO WE KNOW?

- Strategic collaboration improves performance. In 2009, McKinsey and Company found that private sector companies with better collaborative management capabilities achieve superior financial performance. This has implications for overall effectiveness for organizations in all sectors, including NGOs and government agencies. Collaborative organizations were found to be more successful because collaborative relationships among individuals and groups are important for innovation and the creation and distribution of knowledge. By collaborating effectively, groups and teams develop "transactive (or shared) memory systems," which enable better group goal performance. However, research also shows that collaboration is not a panacea. It has to be strategic, or else it can lead to wasted time, high interaction costs that can slow decision-making, interpersonal conflict, and loss of motivation.

- Donor staff success linked to using locally-led approaches. Emerging research emphasizes the need for approaches that are embedded in the local context and negotiated and delivered by local stakeholders. This type of development emphasizes learning partnerships between donors and local actors that are based on trust and transparency, and where differences in power between actors are acknowledged and addressed.

- Monitoring and evaluation (M&E) are positively and significantly associated with achieving development outcomes when incorporated into program management and designed to support learning and decision-making. A June 2016 World Bank study analyzed large sets of data to determine if there was a correlation between the quality of M&E and project outcomes. It found that good quality M&E that informs decisions both during and after implementation is positively and significantly associated with achieving project outcomes. In addition, several cases in the literature underscored the importance of using evaluation for learning to enable adaptive management and improve performance.

- Using evidence to make decisions is more likely to occur when decision-makers themselves demand, define, and interpret evidence. The literature identifies a number of principles for ensuring the use of evidence when making decisions. These include assessing the needs and identifying specific demands of users, understanding and engaging with target audiences throughout, and ensuring ongoing engagement with and between users and producers of evidence. Even when good-quality, relevant, and reliable research is available, straightforward application is difficult. Several studies suggest that successful implementation of research necessitates the interest and involvement of decision-makers and an explicit focus on ideas, practices, and attitudes specific to the context of users.

- Taking the time to pause and reflect on our work is critical to learning and improving performance. Harvard Business School researchers found that "…purposeful reflection on one's accumulated experience leads to greater learning than the accumulation of additional experience." This means that to learn, we can't just consume information and

then immediately implement it. We have to stop and ask ourselves how our efforts are progressing, as well as why and what we should do differently to learn and be more effective.

- Adaptive management contributes to sustainable development particularly when it has leadership support, public support, and an adequate investment of time. There is a growing body of evidence suggesting that aid agencies are most successful when they are able to operate flexibly and manage adaptively. Insights from the business and natural resource management sectors parallel much of the debate in development practice. One study recently found that companies that apply more data-driven and adaptive leadership practices perform better compared to those that focus on those practices less. Another study found that adaptive management can achieve change, but only slowly with an adequate investment of time; in order to bring about any change, adaptive management requires leadership, data, patience, and public support.

- Individuals who are curious have "growth mindsets" and able to empathize with their colleagues are generally better able to adapt to changing circumstances. Ultimately, it is individuals who take on the work of collaborating, learning, and adapting within organizations and across partner organizations. Individual personality traits, habits, and competencies can affect who is more likely to take on these behaviors. The literature reviewed found the ability to be flexible and adaptive is highly related to individual personalities, which in turn drive office culture and institutional appetite for change. Across sectors, the literature found that hiring those with "adaptive mindsets" (inquisitive by nature, able to ask the right questions, flexible skillsets) and those that show sensitivity to the feelings and needs of their colleagues had a direct impact on a team's ability to learn and adapt to effect change.

- Leaders are essential to creating a learning culture, the foundation of learning organizations. The literature discusses how organizations that encourage honest discourse and debate and provide an open and safe space for communication tend to perform better and be more innovative. Leaders are central

to defining culture; "learning leaders" are generally those who encourage non-hierarchical organizations where ideas can flow freely.

- Continuous learning is linked with job satisfaction, empowerment, employee engagement, and ultimately, improved performance and outcomes. A growing body of evidence from both private and public sector organizations recognizes that having a strong organizational learning culture increases psychological empowerment and sense of autonomy, which drives a collaborative team culture, high levels of commitment, and employee retention. In the USAID context specifically, CLA is strongly related to staff empowerment, engagement, and job satisfaction.

- Quality knowledge management systems have a significant impact on project performance. People act as nodes of knowledge. As such, human interaction is the basis of knowledge sharing and utilization. The literature reviewed found that people-centric knowledge management (KM) processes that facilitate reflection and learning are positively linked with improved outcomes. A recent study conducted by RWTH Aachen University in Germany quantitatively tested the proposed relationship between KM and performance. The researchers found that KM has a significant effect on the success of projects, therefore having implications for overall organizational effectiveness. Teams are more effective at learning from past experiences and achieving their goals when they follow the Knowledge Cycle steps in order.

- Teams that have high levels of trust and are considered safe for interpersonal risk-taking tend to be better at learning and adapting. Managing adaptively requires a level of group tolerance for risk-taking, which by extension is contingent on teams having trusting relationships. The literature reviewed found that high trusting teams generally tend to be high-performing. This is because they also tend to have high levels of "psychological safety," or the shared belief that the team supports interpersonal risk-taking. Participation in risk-taking learning behavior is thus more likely, motivating the proactive, learning-oriented action that positively impacts results.

- Managing adaptively is more likely to improve outcomes when decision-making autonomy is placed as close to local partners and frontline staff as possible. This evidence also echoes findings from the broader public management literature that decentralized authority is associated with better performance. Evidence from aid agencies and developing country governments supports this conclusion, suggesting that greater autonomy helps project adaptability and flexibility.

CLA CONCLUSIONS – SO WHAT?

The findings listed above suggest a number of implications for USAID staff, which are presented here as principles for effectively using a CLA approach.

- Identify areas of strategic internal and external collaboration. Based on the literature, the aim here is not to get USAID Missions to collaborate more often with more organizations or stakeholders, but rather to think more strategically about collaboration: who should we be collaborating with, why, and what form should that collaboration take. A CLA plan, as part of the PMP, is a good starting point for the Mission to consider how to strategically collaborate with others (ADS 201 guidance, page 128). For more on strategic collaboration, see here.

- Facilitate development rather than create it. Locally-led development has far-reaching implications for USAID staff and partners. Expectations about how quickly results can be achieved must be adjusted in order to allocate the time required to build relationships and facilitate local actors in defining their agenda. Greater collaboration with local actors is required during the early stages of project/activity design to ensure approaches are locally driven, as emphasized in the updated ADS 201 guidance (page 12). Taking a facilitative approach — one that focuses on indirect interventions at strategic points within a system — during implementation can ensure sustainability of results.

- Design and invest in M&E systems and approaches that enable learning, thereby informing programmatic decision making. This means determining whether existing M&E systems are merely serving a reporting function, and if so, re-designing them to enable learning to be applied in real time. USAID's updated ADS 201 guidance (page 108) highlights the need to integrate monitoring, evaluation, and learning (MEL), starting with a CLA plan in the PMP through the creation of MEL plans at the project and activity levels. For more on effective learning, see here.

- In hiring for key positions, place value on adaptive mindset, soft skills, and change management experience. Habits and competencies that make an individual more likely to learn and adapt need to be considered and intentionally nurtured through coaching and training in order to incentivize behavior change. As with any change effort, intentionally seeking out CLA champions with a high propensity to promote and model learning behavior will be critical for CLA uptake. If these behaviors are desirable, clear signals must be given to indicate that (praise in meetings for changes based on new information, leadership encouragement of trying new things, etc.).

- Mission and implementing partner leadership must model strategic collaboration, continuous learning, and adaptive management. As we know from experience and literature, leaders are essential in creating an "enabling environment that encourages the design of more flexible programs, promotes intentional learning, minimizes the obstacles to modifying programs and creates incentives for learning and managing adaptively" (ADS 201 guidance, page 11). Achieving this enabling environment begins with leaders who truly lead by example and create the space for staff to collaborate, learn, and adapt more effectively. Leadership training and coaching can help leaders at all levels within the organization improve their skills and create a culture that supports CLA.

- Leaders should model CLA. In addition to Missions using CLA approaches to improve strategy, project, and activity design and implementation, CLA can also be seen as a leadership tool for creating more effective organizations where employees are more satisfied, engaged, and empowered. CLA is already being used to improve staff engagement in USAID

Missions, including Uganda and Senegal, as well as in the Office of Afghanistan and Pakistan Affairs.

- Follow each step of the Knowledge Cycle in a linear fashion. Follow all four phases of the Knowledge Cycle (generate, capture, share and apply) in an intentional and systematic way may seem tedious or excessive, but not practicing good KM can affect our performance and ultimately prove more costly. Research shows that following the Knowledge Cycle — without missing any steps — improves project performance. Research also shows that the most important indicator for improved performance is knowledge accumulation. One way to support knowledge accumulation is by providing both formal and informal opportunities for staff to continuously gather knowledge and learn from one another.

- Create space and time for team members to develop trusting interpersonal relationships. Activities that build mutual understanding and shared trust — such as group reflection moments, team problem-solving,

and equal conversational turn-taking — aid collaboration and evidence-based decision-making and should be prioritized. Informal opportunities for information sharing and practicing social sensitivity are also important for building team trust and psychological safety. This is especially important in the context of partnerships with local actors.

- Empower staff to make decisions and manage adaptively. USAID staff could review decision-making processes within teams and organizations to ensure decision-making authority is as close to local partners and frontline staff as possible. Achieving more autonomy is not simply about changing decision structures. It involves multiple "levers" of change, such as promotion systems, performance management, job design, recruitment, motivation, etc. For example, jobs can be designed to align with the level of decision-making autonomy needed to carry out the responsibilities of the position effectively. These factors will also need to be considered to enable USAID and partners to manage more adaptively.

CLA RECOMMENDATIONS – NOW WHAT?

Our review of the evidence suggests that the Agency and other development actors should consider the following:

- The Agency could prioritize offering easily accessible M&E procurement mechanisms that support greater availability and utilization of M&E methods designed for learning. See Question 2 Deep Dive: Integrating MERL within Project Design and Implementation for a non-exhaustive list of examples of these approaches.

- USAID Washington OUs could, like Missions, build in reflection points to our work. This should include mid-course stocktaking, though ideally more frequent, for Bureau and OU strategies based on anticipated or emergent changes to context.

- In order to successfully build in a piloting approach to adaptive management, the Agency could dedicate a critical mass of staff capability dedicated to designing, managing, and advising on testing pilot approaches. Dispersing individual champions of this approach throughout OUs will be less effective.

- The Agency could provide, and leadership should actively sponsor, both formal and informal opportunities for staff to regularly and continuously gather knowledge and learn from one another.

Opinions presented in the document do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government. Feedback and questions may be directed to the Lab's Office of Evaluation and Impact Assessment at LabEIA@USAID.gov.