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MercyCorps

NAVIGATING COMPLEXITY

Adaptive Management at the Northern Karamoja Growth, Health, and Governance Program

Contents

DISCLAIMER

Executive Summary

Development is a complex task. Most of the activities undertaken by development programs aim to create sustained changes in behavior in local systems of actors and the institutions that bind them. Doing this well is critical in order to have impact on the poor in a way where benefits extend beyond the life of the program or activity. Creating systemic change, working with local partners, and facilitating behavior change are particularly complex activities. This means there is limited predictability as to the results of an intervention, experimentation is a must, and strategies must evolve over time in response to the local environment.

Traditional project management practices work for ordered, albeit complicated, activities such as food distribution and the construction of infrastructure, where executing a predictable set of tasks will likely lead to a successful outcome. They fall woefully short in activities that aim to create systemic change, where programs must experiment, learn, and adapt.

This paper captures some lessons and examples from building a culture of learning and adaptation at Mercy Corps Uganda's Northern Karamoja Growth, Health, and Governance Program (GHG). Some salient ones are:

Office culture is fundamental. A learning culture hinges on the behaviors and beliefs of the people on the team – management and employees. Examples of such behaviors are curiosity, deep levels of engagement with work, admitting failure openly, and hotly debating strategy. This culture transcends rules, processes, and structures. It is highly informal, and takes time and effort to build.

The importance of consistent messaging from management. Senior management must send regular and clear signals encouraging desired behaviors, and what the priorities are. These signals must be consistent. Mixed signals are particularly dangerous because they result in a loss of trust and create anxiety, which in turn prevents open sharing and learning.

Tools and processes support learning behavior, they do *not* create it. Staff do not learn and adapt because a process forces them to; rather, they do it because of the way their roles are defined, because of coaching and mentorship from management, and because of their underlying beliefs about their roles. Tools and processes reinforce behaviors once they've been formed.

Based on the GHG experience, we make some recommendations to donors and practitioners who want to take an adaptive approach. Some key ones are:

- Adaptive management calls for a change in how managers behave, which has implications for hiring. It calls for managers who are able to build trust and deal with ambiguity, and less procedural and prone to command-and-control. Hiring processes need to be reformed to test for this, and experience requirements changed.

- Activity plans and budgets will change frequently, so processes and expectations must be set that allow this to happen.

- 'Situational awareness' and socio-political intelligence gathering is vital to informing activities. The principles of complexity-aware monitoring are useful in ensuring 'softer' information is being captured continually about the program environment. Staff must be encouraged & supported in gathering such information.
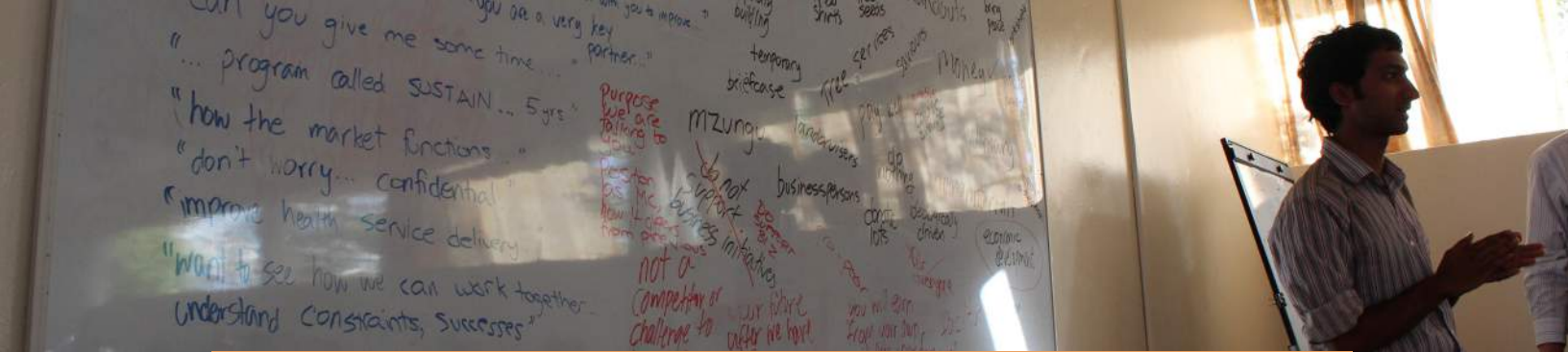
Introduction

'Adaptive management' is a set of principles that originated in the environmental sciences (ecosystems being unpredictable, complex systems). Adaptive management is defined as *"a structured, iterative process of robust decision making in the face of uncertainty, with an aim to reducing uncertainty over time via system monitoring. Adaptive management is a tool which should be used not only to change a system, but also to learn about the system."* [1] In essence, managing adaptively means: (i) a high level of experimentation, where some initiatives will work while others will not; (ii) excellent monitoring processes feed a continual flow of information that sheds light on the operating environment (e.g., gathered from successful and failed experiments); and (iii) the ability of the organization to change strategies, plans, and activities rapidly in response to this new information.

With the rise of facilitative approaches and the growing role of interconnected markets in poverty reduction, a majority of initiatives undertaken by development practitioners are complex in nature. These initiatives rely heavily on local agents changing their behavior and as such, there is a low degree of control and predictability. Since local contexts and markets are affected in unexpected ways during (and due to) program activities, detailed long-term plans have limited utility. This is in tension with traditional management practices, which demand strict budgets, targets, and activity plans that imply a level of predictability that simply does not exist.[2] The need for new ways of organizing, measuring and managing complex development activities has been a rising tide, resulting in initiatives such as the United States Agency for International Development's (USAID) Collaborate, Learn, and Adapt (CLA) agenda, and complexity-aware monitoring. The shift in development approach calls for a shift in management approach; the principles of adaptive management hold promise for answering that call.

Two reasons for managing adaptively are: (1) there is imperfect and incomplete information on the system you are trying to influence, meaning that intelligence gathering is a must; and (2) complex systems are unpredictable, meaning that there is no a clear path or 'right answer' for intervening that can be known ahead of time. This has implications for the organizational culture that must be built.

The Northern Karamoja Growth, Health, and Governance program (GHG) has been built to learn and adapt; activity plans and program strategies change continually in order for program activities to remain relevant and impactful in a dynamic environment. While GHG works across a diverse number of sectors and employs a variety of development methodologies (some are short-term, direct-delivery; some are highly facilitative and light-touch), activities are knit tightly together around systems-change

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[1] Holling, C. S. (1978). Adaptive Environmental Assessment and Management. Wiley, London. Reprinted by Blackburn Press in 2005.

[2] "Briefing Paper: Shifting Aid Models to Manage for Systemic Change." *Engineers Without Borders Canada*. February 2014. Online. Available: http://tinyurl.com/pvmo2fj

goals. This means that they aim to change the behaviors, relationships, and incentives in systems of local actors (businesses, government, and civil society), such that the poor have improved access to vital products and services in a sustained, commercially viable way (see Box 1 for an example). To operationalize the GHG program's ambitious and ambiguous mandate, a radically different management paradigm was needed. Applying adaptive management at GHG required a rethink of organizational structure, processes, and – most importantly – staff behavior and culture.

The first part of this paper describes key tenets of the culture at GHG, followed by some management practices that have helped build them. The second part describes the tools and processes used at GHG to reinforce this culture. Finally, some implications are discussed for funders and practitioners who want to take an adaptive approach

The Northern Karamoja Growth, Health, and Governance Program

The Northern Karamoja sub-region is the poorest in Uganda; it has a long history of insecurity, drought, and chronic poverty. The rise of agriculture in this otherwise pastoral region and the return of peace and relative stability led to the design of Mercy Corps Uganda's Growth, Health, and Governance Program (GHG). GHG is a $55 million, 5-year Development Food Assistance Program (DFAP) funded by the United States Agency for International Development (USAID) with three strategic objectives: economic growth, health systems strengthening, and improved conflict mitigation & governance. GHG is designed to defy dichotomies such as short-term relief vs. long-term development, public vs. private sector interventions, and market-based programming vs. service delivery. The idea is that if all initiatives – including tightly targeted, short-term relief projects – are designed and integrated intelligently around broader systems-change goals, negative impacts (such as distorted markets, fragmented change processes, and conflicting theories of change) can be minimized, and cross-sectorial opportunities will emerge. GHG began operations in October 2012, and had been operating for 18 months at the time of writing.

GHG's goal is to create systemic change such that local businesses, government, civil society, and individuals in Northern Karamoja are on an upward trajectory after the program closes. Some of the program's core operating principles are:

- **Strategic and largely facilitative (light touch, local partners).** With the exception of the short-term food ration and maternal health components of the program, GHG plays a behind-the-scenes role with permanent local actors (businesses, government, civil society) and is invisible to the end user. This means working at the partners' pace & ensuring local ownership.

- **Hyper-sensitive to markets and incentives, careful not to distort them.** Money can have a powerful distorting effect, particularly in environments where it is scarce. With every use of human, political, or monetary resources, GHG needs to question: how can the offer be right-sized to cause the least distortion and the best value-for-money?

- **Experimental and opportunistic.** The combination of imperfect information, rapid changes in the environment, breadth of sectors, and an impetus to work through local partners requires taking advantage of opportunities as they emerge.

Within its first two years of operation, GHG has had a number of notable successes, including: facilitating the growth of a commercial, self-sustaining network of agricultural inputs retailers in Karamoja, and convincing a world-class supplier of animal health products to expand into Karamoja (resulting in increased availability, affordability and quality of animal health services).

Box 1 - **Adaptation in Action: Three Birds with One Stone**

The GHG financial access team recently began to support the expansion of mobile money services through Savings and Credit Cooperatives (SACCOs). This was not a key part of the financial access team's strategic plan or results chain. However, upon encountering a challenge in their work with SACCOs (they were headed towards insolvency), and seeing an opportunity to create a win-win relationship that was beneficial for the poor and for businesses, the team was able to act fluidly and intervene in a creative way that furthers its mission to increase rural financial access.

Systems change goal: Financial access is a crippling problem in Northern Karamoja where the small number of commercial banks that do have branches are inaccessible – geographically and financially – to the common person. This results in lower levels of saving, food insecurity in the lean season, higher rates of business failure, and lower levels of investment. GHG's Financial Access Team envisions a future where men and women in Northern Karamoja can access a range of financial products tailored to the personal and business needs of the region. They envision a wide network of sustainable financial access points, likely in the form of SACCOs that are backed by formal financial institutions.

What was planned: A core part of GHG's financial services strategy relies on strengthened regulation and oversight of the SACCOs by the national certification body, and a mindset and capacity shift within SACCOs towards becoming financially viable entities. This includes better management practices, higher-quality service delivery to communities, and an expansion of SACCOs' customer base. Eventually the team envisions SACCOs receiving wholesale financing from the formal banking sector. This is a slow process of behavior change, and an even slower process of SACCOs rebuilding trust with communities after years of poor service provision.

What happened: While working with seven, self-selected SACCOs across three districts, the GHG team encountered a number of interlocked issues: (1) a temporary government subsidy, which was paying for some staff salaries in SACCOs, would be coming to an end in a few months; (2) until the SACCOs expanded their customer base, an outcome still many months away, their current business model would not provide enough revenue to remain operational in the interim; and (3) the GHG team noticed very low mobile banking coverage in Northern Karamoja (limited for the most part to three major towns) – a service that is otherwise widespread in the rest of the country. Based on these insights the GHG team saw an opportunity to hit three birds with one stone.

Adaptation: The GHG team is brokering a relationship between MTN, one of the major telecommunications providers in Uganda, and interested SACCOs. MTN and several SACCOs have already reached an agreement. Under such a relationship, SACCOs would become MTN mobile money agents, earning a commission on transactions and providing a wholly new service to the unbanked population of Northern Karamoja. The GHG team expects the effect to be threefold: (1) the additional revenue stream will contribute to lowering the SACCOs' upcoming income gap, keeping them solvent through a period of reorganization and change; (2) a trusted and well-known brand such as MTN partnering with SACCOs will help improve their image in the eyes of communities, and provide an avenue for SACCOs to rebuild that trust; and (3) in line with the team's mission to bring commercially-viable financial products closer to the poor, rural households will be able to save and transact using mobile phones as MTN expands into the region.

Part I: **Building a Culture of Learning & Adaptation**

Key tenets of the organizational culture required to adapt and learn are described below, followed by management strategies for building them.

Adaptive management necessitates vigilant monitoring. Staff on the GHG program are continually observing and generating intelligence on the changing context in which they are working. They have genuine curiosity and vested interest in their work. This exhibits itself in many ways: staff receiving and making phone calls to check in on key individuals in local communities; going out and observing the behavior of (for example) livestock markets and taking a pulse of livestock prices; taking initiative – even during non-work hours – to seek answers to issues that are nagging at them (for example, a GHG staff member visited credit unions in the capital city while on vacation to learn about share price rules); and spontaneous "what if" and "how might we" conversations crowded around whiteboards in the office or informally at social gatherings on a Friday night.

Without real-time insight on what is occurring in the program area, there would be no way of justifying a shift in strategy. Further to this, when staff are engaged and curious, they are able to identify and pursue new opportunities to further programmatic goals such as identifying a new partner or champion, or coming up with new ideas to test (see Box 2 for an example of this). Thus, a culture of curiosity and genuine engagement is fundamental to adaptive management.

There is no "best practice," only emergent practice, so management does not always know best. A culture of peer review, respectful dissent, and creative tension must be fostered. Emergent practice is the notion that strategies cannot be determined based on 'what has worked before', but instead must be discovered through experimentation. This makes strategy the product of many minds, perspectives, and action-learning (i.e. experiments and intelligent failures) at all levels of hierarchy. When GHG's urban services team was formed in early 2014 (composed of existing program staff who got reassigned), their first action was to talk to as many people as possible: their peers, rural communities, local government, and businesses in the town centers. Based on these discussions, their second action was to generate a few key hypotheses and frame the 'systemic changes' that would form the high levels of their results chains. Their third action was to visit each team at GHG individually, present their findings and ideas, and get critiqued. It is important to note that no one asked the urban services team to do this; it was behavior endogenously-generated by the culture of the organization. This is just one

example of many a case where staff seek critical feedback from each other without prompting. At GHG, strategic decisions are almost never made by management alone, and often involve a bull-pen style session of constructive criticism and respectful dissent with senior management, team leaders, and officers all participating. There is an understanding between all staff – and a comfort – that constructive dissent and tension is a good thing for new ideas and smarter interventions to emerge. . This is enabled by mutual respect and trust. There is camaraderie: a belief that everyone is on the same team and believes in the same mission, even if they disagree on 'how' to get there.

Respectful dissent and peer-review occurs both formally (in strategic review meetings, team leader meetings, and when the learning officer periodically sits with each team to ask probing questions) as well as informally where staff ask each other for feedback on ideas on-the-fly. This culture reinforces itself, particularly when management encourages it, and when interventions begin to bear fruit.

Two tragedies of hierarchy must be overcome before adaptive management can be achieved. The first tragedy is that those with decision-making power (i.e. managers) in a hierarchy – by virtue of being a step removed from the action – have the least up-to-date, tacit knowledge needed in making decisions. The second tragedy is that hierarchies in most places in the world imply that those at the top have more experience, know more, and thus must be listened to, hampering the agency and voice of employees lower down in the hierarchy. The notion that managers know better, particularly in complex contexts, is false. The GHG program has not entirely overcome these two tragedies, but it has made strides towards doing so by fostering a culture of peer review, constructive dissent, and creative tension.

Messaging by Senior Management

In any organization, staff are sensitive to signals, particularly from management, whether they be intended or unintended. A passing comment by a manager may be taken as mantra by a field officer. For example, a reference to performance evaluations may be interpreted as a threat and thus lower openness in communication. Consistent, intentional messaging has been a keystone in building GHG's organizational culture. Management plays two roles in this regard: first, as a sender of signals; second, just as importantly, as an arbitrator that amplifies or dampens signals being sent by others, internal and external. Within the GHG program messaging has been meticulously managed, particularly in Year One. It has been managed along three prominent lines, each discussed in turn below: mission, flexibility, and respectful dissent.

Messaging on mission

Adaptation and creativity can only emerge if there is a specific goal, a well-understood mission, around which staff can adapt activities. Program quality hinges on what that mission is and how much it enables flexibility & creativity. For example, is the mission to meet a target of 10,000 households accessing animal health services? Or is it to invisibly facilitate a market system in which local providers are permanently offering animal health

services on a commercially viable basis? The former induces an anxiety that can lead to staff wanting to exert more control over the intervention, and the space to experiment and adapt shrinks. This is often true when an output target is the 'mission'. For this reason, the detailed, high-level systemic change in teams' results chains serve as their 'mission' (see Box 1, 2, and 3 for examples of this). These are phrased carefully; messages such as "none of us know how to solve poverty so let's learn and try different things," and "we are not permanent actors" are front and center. There has been an emphasis on the program's role as a facilitator, and on the goal being system-wide change that serves the poor as opposed to helping individual partners or beneficiaries.

Box 2 - **Results of Observation: Opportunistic Impact**

GHG's commodity trade team recently added a whole new dimension to their strategic plan – with regards to agro-processing – based on observations in the field. A culture of inquiry, coupled with management messaging flexibility, enabled the team to jump on an unplanned opportunity to have impact on food trade in the region.

Systems change goal: Northern Karamoja is a net food importer, with large influxes of commodities such as sorghum, maize, and beans flowing into the region particularly during lean season. Thus, food insecurity is directly related to a broken food trade network characterized by price spikes, predatory trading behavior, and inconsistent access to food stock. GHG's commodity team envisions a future where food prices and availability is more stable across the sub-region, with the population accessing food (and markets/services for their crops) from reliable traders year-round.

What happened: While mapping out and investigating the existing trading relationships and food storage facilities in the region, the team found a number of high-quality grinding mills in some storage facilities, all of them in various states of disrepair. Many were built by NGOs, and have succumbed to the tragedy of group ownership and dependency: no one has an incentive to maintain and use the infrastructure, and there is an ever-present expectation that another NGO will come and repair or replace the mills. Despite it not being a part of the commodity team's strategy, the team investigated further to find most mills were only in need of the most basic maintenance and repair, but there was a completely dysfunctional mechanic and spare part market. For example, the price of a push rod in the town of Kotido (if one could be found) is UGX 45,000 (~18 USD) while in the neighbouring region of Soroti it is UGX 15,000 (~6 USD).

Adaptation: In response, the commodities team added agro-processing businesses as an intervention area in their most recent results chain. Their rationale: (1) the infrastructure is already in place; (2) impact investors and microfinance institutions are investing in value-addition agricultural businesses, so working with agro-processing businesspeople has the added benefit of attracting finance into the region; (3) improving the spare part market is a quick-win and would create jobs for local mechanics; and (4) functional mills and storage facilities would contribute to increased food security in the region, which is the team's ultimate mission, not to mention the value that would remain in the local economy.

Messaging on flexibility

Staff have to be reminded continually that they are allowed to try new things, and that failed initiatives are okay as long as they are learned from, and as long as the failure was not due to negligence. Staff are encouraged to bring new ideas and questions up in conversation with management, and a high level of autonomy and latitude is given for staff to experiment. Staff on the program feel comfortable sharing ideas, even incomplete ideas, with management and each other, knowing they will receive engagement not ridicule from their peers.

> *"I want you to argue with me. I am not always right."*
>
> – **Chief-of-Party,** GHG
> Pep talk given to every
> new employee

Messaging on respectful dissent and creative tension

Because of its unorthodoxy, constructive dissent and debate cannot be merely suggested; it must be demanded from employees. The chief-of-party on the GHG program does that from the very moment an employee is hired by warning them: "I want you to argue with me. I am not always right." This message is reinforced, over and over again, when arguments do happen and the experience of debate is talked about favorably: "that was a great conversation."

Consistency is the unsung hero of effective messaging. Because staff are sensitive to signals, organizational culture can be quickly damaged by a misaligned message. This occurs most commonly at GHG with regards to contractual requirements, M & E targets, and donor visits. While each of those serve important functions, care must be taken not to let them disrupt consistent messaging. There should be flexibility on how best to meet contractual requirements. Achieving M & E targets should be seen as the consequence, not the goal, of development activities. They should never become the mission. At GHG, senior management plays a key role in insulating and sheltering staff from conflicting goals and messages.

> *"We have bosses that are flexible in their minds as well. You can explain things and they will understand."*
>
> *"Tools are one thing. But really, this program gives us a very good avenue of being flexible. Something can happen and you don't have an obvious way of doing it. You can have the patience to wait for partners to change. You don't need immediate results."*
>
> **- Economic Development Officers (multiple)**

Role Modeling

Messaging is important, but not adequate on its own. A critical mass of people within the organization – especially senior management – need to walk the talk. Actions do indeed speak louder than words; management needs to role model great behavior, and publicly promote/recognize staff that are doing the same. Two key areas in which this has been done at GHG are discussed below: admitting failure, and critical thinking and engagement.

Role modeling 'admitting failure'

Ubiquitously, the word 'failure' carries the connotations of 'inherently bad' and 'to be avoided.' This mental model needs to be overturned if adaptive management and learning is to occur. Human behavior does not naturally lend itself to violating its built-up beliefs, and thus admitting failure is one of the most difficult things to learn. One of the best things a manager can do is role model this behavior, because it counters the norms of "failure is bad" and "manager is right." Because a manager is the natural role model, the gate-keeper to accepted behavior in the organization, a manager admitting failure regularly and frankly to his/her staff reduces the barriers to staff doing the same. At GHG, this has been an important culture-setter (though it does not occur as much as it could). The chief-of-party publicly states his mistakes, and what he learned from them, in situations where (for example) assumptions behind program strategies are proven false or where specific tactical decisions cause a partnership to go awry.

Role modeling critical thinking and engagement

This includes behaviors such as reading new literature, asking questions of weekly reports, revisiting program strategy and questioning the underlying hypotheses, and sanctioning new studies. With a program as large as GHG, this is a challenging behavior for management and staff alike to keep up. It is vital, however, because otherwise the program would become static. A continual churn of information and analysis, characterized by new discussions and debates – in email chains, in one on one conversations, and in formal meetings – provide the fodder for adaptation. Managers engaging with the day to day activities of staff from a place of learning and interest (rather than one of micromanaging) is deeply motivating for staff and pushes them to do the same with their peers. In practice, this means managers asking questions, exploring issues together with staff, and not providing answers or playing an accountability role unnecessarily.

Part II: **Tools and Processes That Support Adaptation**

The foundational culture at GHG – of investigation, debate, and experimentation – has been supported by a broad set of tools and processes. These tools and processes support adaptation at every level of programming: conceptual to tactical. Tools such as weekly reports and after-action reviews enable reflection and learning in staff's day-to-day. Others, such as results chains and strategic reviews, support reflection on the underlying hypotheses in the program's theory of change (see Figure 1).

Figure 1 - Tools and processes must support reflection and learning at all levels of the program: from day-to-day operations to higher-level theories-of-change

Some of the tools highlighted in the section – such as the results chain – have been institutionalized successfully. Others, such as After Action Reviews, are used on an as-needed basis. As much as possible, prescription is kept to a minimum to ensure staff are using the tools and processes to genuinely adapt, rather than using them because "they are a requirement."

The Results Chain

What is it?

Every team at GHG has 1-2 results chains depending on the sectors in which they are intervening (e.g., financial services, private healthcare). A results chain identifies a higher-level "systemic change" that, more or less, remains constant over the duration of the program. This defines the boundary within which the intervention team experiments, and serves as their 'mission' (i.e. it is a sandbox in which they play). For example, the animal health team at GHG has defined their systemic change as: "poor women and men in Northern Karamoja have increased access to high-quality, affordable drugs and veterinary services through well-functioning drug shops, vets, and health workers." What the team does and who they work with to achieve this eventual outcome is not prescribed.

"The results chain is the bible to our work""

"There is no [such thing as a] permanent results chain"

- Learning Officer, GHG Program

The lower levels of a results chain describes a causal logic in excruciating detail that lays out the team's assumptions of how change will occur and what the program will contribute to the change process. Each "result" is coupled with measurable indicators, and most are coupled with program activities (but not all). Results are defined as behaviors exhibited by permanent actors in the local system (e.g. "financial institution offers tailored loan product to private health clinics and drug shops"). Results never describe program activities. While the higher levels of the results chain remain constant over time, the lower levels are revisited and revised regularly.

How is it put into practice?

Results chains serve at least two functions: (1) they give senior management enough clarity on what each team is doing to allow for accountability while keeping the ownership of the work in the hands of the team; and (2) monitoring and learning – measureable indicators allow for confirmation or disconfirmation of hypotheses. In addition to this, the detailed nature of results chains enables rich conversations on intervention strategy within and between teams, and between each team and senior management. Rich conversations lead to better questions and deeper analysis.

Box 3 details an example from GHG's animal health team, which made a radical adjustment to their results chain at the end of the first year of the program. A sample results chain can be found in Appendix A.

Strategic Reviews

Results chains are revised every 3-6 months during strategic review meetings. In formal strategic reviews, teams peer review and critique each other's logic and progress. Each sector is given, on average, 3 hours to present learnings and be grilled by their peers. Questions emerge that guide further investigation. Learning is formalized and results chains are revised; new interventions are added and failed ones are removed. It is important to note that because results and indicators can be readily discarded, results chains play a different role than traditional M & E performance monitoring plans. All program staff participate in strategic reviews (that span 3-4 days) as it allows for cross-sectorial opportunities to emerge.

Box 3 - **Changing Chains: A Better Leverage Point**

When their initial strategy, which involved strengthening a network of Community Animal Health workers (CAHWs) was not gaining traction, GHG's Animal Health Team began exploring other options. They found the small number of existing drug shops to be a higher leverage point, and made a significant adjustment to their strategy. This involved major changes to their results chain, including the indicators of success that they were beholden to.

Systems change goal: GHG's Animal Health Team envisions a future where high quality, up-to-date, affordable veterinary products and services are available to the poor from local businesses in Northern Karamoja. This is vital for Karamoja's largely pastoralist population, for whom cows and goats are the primary source of livelihood and a bulwark against food insecurity, and where disease is the leading factor that contributes to high animal mortality.

What was planned: One component of the team's strategy involves strengthening the distribution chain of quality animal health drugs, and working with local drug shops and veterinary workers to enhance and expand service delivery. The team's initial systems analysis found an existing network of CAHWs in the region, who had previously received training by NGOs and government. It was found that financial access – particularly working capital – was a key constraint to CAHWs delivering services to animal owners. The GHG team decided to tackle this problem by searching out and convincing local credit unions to develop financial products tailored to CAHWs, and by working to strengthen the management capacity of the health workers.

What happened: The GHG team encountered hurdles in their work with CAHWs. In particular: (1) improving access to small-scale finance, particularly from the existing credit unions, was going to prove a challenge; (2) CAHWs were disparate, and not all of them were well-trained; (3) the perceptions set by years of NGO-driven distribution of animal health services had created distrust and low willingness-to-pay between CAHWs and local communities. Concurrently, the team established relationships with two high-capacity, licensed local drug shops – one of them had spawned from an association of CAHWs. These drug shops were stable, managed by experienced veterinarians, and were eager to expand. The team began to see more traction working with the drug shops than with individual CAHWs.

Adaptation: After six months of attempting to work with CAHWs, the team decided to eliminate that component from their strategy. GHG no longer works with CAHWs. Instead, the team reoriented their results chain to focus on licensed drug shops that would be able to employ the network of CAHWs over time. The team saw in these drug shops the opportunity for higher leverage and scale. Not only would the shops be able to provide CAHWs with support (technical and credit), but quality of services would be higher under the oversight of licensed veterinarians. Instead of being bound to the indicators in their results chain (e.g., "average working capital received by CAHWs" and "quantity of supplies delivered by drug suppliers to CAHWs"), they chose to pursue a more impactful strategy that would still accomplish the overarching goal of improving access to animal health products and services (an indicator on the revised results chain reads "% of CAHWs receiving embedded services from local drug shops"). Since then, the team has facilitated a relationship such that Norbrook, a world-class supplier of animal health drugs, has begun distributing in the region through a high-performing drug shop. This nascent commercial link, the first of its kind in Karamoja, resulted in an overnight drop of drug prices by 20-30%.

In-House Studies and Investigations

What is it?

Targeted, time-bound studies to answer questions or fill informational needs that come up during implementation. Some examples of studies that the GHG program has undertaken in recent months are:

- A census of informal savings groups in the program's operational area to understand cash flow and the nature of unbanked rural populations. In addition to enhancing the finance team's understanding, the data is being used to make a business case to the formal banking sector in Uganda to provide wholesale finance to rural credit unions in Karamoja.

- A network map of commodity traders to investigate food price disparities, the nature of commodity flow into and out of the region, and trading behavior.

How is it put into practice?

The decision to investigate an issue and collect data is made jointly between the sector team, management, and the Learning Officer. With the help/oversight of the Learning Officer, the intervention team designs the study, collects the data, and does the analysis. Because everything is done in-house, new information is generated quickly and cheaply to remain relevant.

The fact that the teams themselves are responsible for data collection and analysis (as opposed to enumerators or outsourcing) is critical. Firstly, it gets the teams talking to people in local communities, expanding their networks, and deepening their tacit understanding of the operating area so that they are able to design better, nuanced interventions. Secondly, the team is able to identify and jump on unexpected opportunities and partnerships (see box 1 and 2) that will further their goals. Finally, the very practice of having to go out, ask questions, and investigate 'teaches' staff curiosity and reinforces inquisitive behavior.

After-Action Reviews

What is it?

A simple, structured reflection that forces staff to compare what was **intended** versus what **actually occurred** with respect to a given activity. At GHG, After-Action Reviews (AARs) are an online form that staff fill out after a key event, activity, or meeting with a partner. The form asks staff:

- Who was involved?
- What did you do? What was the intended result?
- What actually happened?
- What did you learn?
- What questions remain unanswered? What are your next steps?
- Other useful information

The focus on comparing intended versus actual events is what makes AARs different from traditional debriefs. AARs are well-respected knowledge management and learning tools. AARs have been used in environments that are extremely unpredictable, like Northern Karamoja. Most notably, AARs have been used in recent decades by the US Army in counterinsurgency operations, which are characterized by rapidly changing conditions.

How is it put into practice?

After-Action Reviews been used intermittently by GHG staff, and especially used by the health systems and financial access teams. There was a burst of use in AARs during a period in the program's first year (over 50 AARs were filed in a two month window) when teams were engaging in high rates of action-learning: meeting new partners and trying untested interventions for the first time. GHG staff find AARs to be useful as a reflection tool, but also as a tool to share meeting notes and learnings within their teams when spread across districts.

Staff don't think the tool is useful all the time, and should be used as-needed. As such, they have not been enforced as a "must use" tool or a reporting tool, and decisions on use have been largely left up to individual staff and team leaders. This is, of course, not ideal from a consistency standpoint; however, it has been determined that by making these reports a 'requirement' staff will stop using them in genuinely helpful ways. The goal, after all, is not the report itself; it is the internalization of learning in the staff member that occurs in the act of writing it. Nevertheless, this can prove to be a challenge because if a program ebbs and flows between periods of action, reflection, and re-hypothesizing, and AARs are only useful for a small chunk of that cycle, one would be hard-pressed to build the habit of doing them in staff. Additionally, without it being a 'requirement' staff may not take time to reflect in times they need it the most (i.e., busy periods with high levels of activity implementation). The formalization of AARs as a tools remains an unresolved question for the GHG program.

Weekly Reports

What is it?

Weekly reports are an accountability tool, a forced reflection on the week's work, and an opportunity to share day-to-day successes and challenges with management. The reports help keep staff focused on the tasks at hand and reduce ambiguity in an otherwise overwhelmingly complex program, while keeping rigidity and prescription to a minimum. In essence, they are a balancing force for flexibility. Being a direct line between field staff and the Chief-of-Party, the weekly reports allow for course-corrections and ensure that activities are aligned with the systemic changes in the results chains. As such they also allow senior management to give better, more relevant, and timely feedback to staff.

The report itself is a 1-2 page brief that details, for a given week:

- Which results (from the results chain) are being targeted by the team
- What success would look like (if those results were to be achieved)
- Activities and actions that were tried
- Were there signs of progress? Why or why not? What were they?
- What activities and actions will be tried next
- Other comments and observations

How is it put into practice?

The reports are submitted, one per sector-team (i.e., one per results chain), directly to senior management every week. Teams also have access to other teams' reports, as all team leaders are copied on submission emails. Senior management responds to select reports with probing questions, feedback, or ideas, sparking a more in depth conversation with 1-2 teams each week.

A sample weekly report can be found in Appendix B.

Conclusion: Implications for Funders and Practitioners

The GHG program is far from perfect; staff at all levels of the organization are learning to better manage and intervene in a complex development environment such as Karamoja. Taking a truly flexible and adaptive approach has been rife with challenge, as it is not commonplace in the development sector. Below are some lessons and ideas to prompt further discussion amongst practitioners and funders who want to operationalize adaptive management.

Adaptive management calls for a shift in how managers and leaders behave (particularly in messaging and role modeling key behaviors), which must be hired for. Traditional management roles such as performance management and work planning must be balanced with trust, empathy, and flexibility. Command and control, which is effective at managing large activities with set tasks, must be forsaken in adaptive management. Employees must feel comfortable sharing failures with management. This calls for a different set of attitudes and personality types in management roles than would traditionally be hired for.

- **What this means for practitioners:** Change the hiring criteria and interview process for Chief-of-Parties and senior managers for complex programming. Value management, emotional intelligence, and soft, staff-coaching skills over technical and donor experience. Consider separating the administrative and 'adaptive leadership' components of the CoP role if one person cannot be found to play both.

- **What this means for funders:** Remove or loosen the experience requirements for key personnel, particularly senior management, in RFPs and RFAs. For example, "15 years of development management experience" as a criteria will only yield more of the same: traditional management. Instead, this definition must be broadened and an active effort made to attract managers from fields such as complexity science and environmental management, and from the innovation/start-up sector.

Unpredictable changes in the environment and activities means detailed budgets and work plans cannot be locked down for the program duration, or even for one year. Activities will evolve, and so will spend-rates. This needs to be managed for.

- **What this means for practitioners:** Program logics and budgets must be designed in a way that allows for change. Larger (and fewer) budget lines that are defined at the outcome level (as opposed to activity level) creates the space for adaptation as program activities change. Space must be created within the program (through practices such as strategic reviews) to make changes to the work plan.

- **What this means for funders:** Rethink how accountability is done, because (as mentioned) activi-

ty-level budgeting is stifling. At the same time, flexibility is risky from a fiduciary responsibility perspective. A middle ground must be struck. Additionally, funders must accept and be open to the fact that programming (and thus impact logics, activity budgets, and work plans) will change during implementation and allow practitioners to do that in a timely and responsive manner.

'Situational awareness' and socio-political intelligence gathering is vital to informing program activities. The 'how' matters as much as the 'what', especially in complex programming. Detailed knowledge of the ever-changing power dynamics, market players, and politics of an area is incredibly valuable in informing the 'how'. Making sure this nuanced information gets used to inform and change programmatic activity can mean the difference between success and failure.
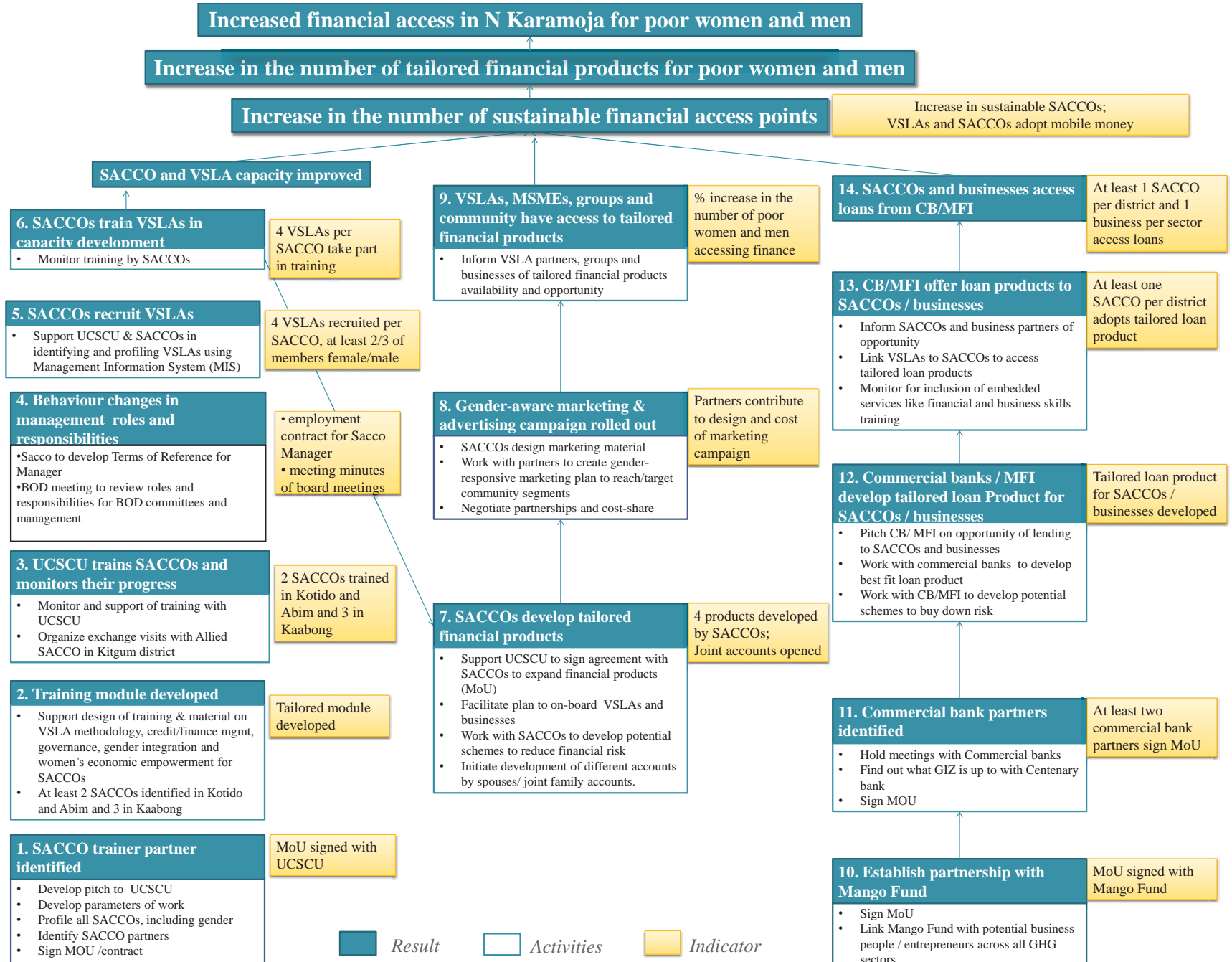
- **What this means for practitioners:** Encourage staff to gather intelligence, and change performance metrics to reflect this. Allow staff the time and space to do so by ensuring their time is not bogged down in activities.

- **What this means for funders:** Change the definition of 'overheads'. In the case of smart programming, particularly when creating complex systems change, the mental model of "dollars in = impact out" is false. Higher levels of staff time (and hence, as a percentage, higher proportion of the budget) spent on intelligence gathering can have a drastic effect on the impact of activities.

Some additional points for practitioners:

- **Data collection must be managed to not fatigue local actors.** A weakness at GHG, the sheer quantity of data collection and investigation efforts staff have undertaken have caused fatigue on local businesses and organizations. When building a culture of learning and undertaking in-house studies, care must be taken to coordinate efforts as much as possible and reduce burden on local actors.

- **Managers must keep abreast of the 'pulses' of learning and action during implementation.** Program strategies go through cycles of investigating/measuring, (re)strategizing, and implementing. While all three functions occur simultaneously to a degree, there are times when a team may be predominantly implementing, predominantly investigating, etc. It is important to manage for this by: (a) ensuring they don't get stuck in any one mode for too long; and (b) the correct management support and tools/processes are available and being encouraged at each stage.

- **In addition to learning what needs to change, creating the space for programming and plans to actually be changed is vital.** At GHG, strategic reviews and results chains provide the space for learning to be formally integrated into work plans. This is very important because it legitimizes adaptation, and forces staff to justify and commit to a change in strategy.

With shrinking budgets, a growing inequality gap worldwide, and decreasing role of foreign aid in national budgets, the development community faces a huge challenge. For development programs to be effective at reducing poverty, aid needs to be spent strategically. The impact of every dollar needs to be multiplied exponentially if the poor are to benefit. 'Leveraging the private sector', facilitative approaches, and systemic change are all examples of how the development community is attempting to do exactly that. These approaches, however, are fundamentally different from past paradigms: they involve development practitioners being catalyzers, standing behind local actors, as opposed to delivering services to the poor directly. This process is messy, unpredictable, and complex – unlike the complicated (but predictable) task of delivering trainings and services. Ultimately, however, systems change and facilitation is a better, more impactful, and sustainable use of development funding. And adaptive management – an uncomfortable, new way of operating – is vital to its success. The question now remains: is the development community going to heed the call and make some fundamental changes to how we manage? Time will tell.

Appendix A: Results Chain Example

Increased financial access in N Karamoja for poor women and men

Increase in the number of tailored financial products for poor women and men

Increase in the number of sustainable financial access points

Increase in sustainable SACCOs; VSLAs and SACCOs adopt mobile money

SACCO and VSLA capacity improved

6. SACCOs train VSLAs in capacity development
- Monitor training by SACCOs

4 VSLAs per SACCO take part in training

5. SACCOs recruit VSLAs
- Support UCSCU & SACCOs in identifying and profiling VSLAs using Management Information System (MIS)

4 VSLAs recruited per SACCO, at least 2/3 of members female/male

4. Behaviour changes in management roles and responsibilities
- Sacco to develop Terms of Reference for Manager
- BOD meeting to review roles and responsibilities for BOD committees and management

- employment contract for Sacco Manager
- meeting minutes of board meetings

3. UCSCU trains SACCOs and monitors their progress
- Monitor and support of training with UCSCU
- Organize exchange visits with Allied SACCO in Kitgum district

2 SACCOs trained in Kotido and Abim and 3 in Kaabong

2. Training module developed
- Support design of training & material on VSLA methodology, credit/finance mgmt, governance, gender integration and women's economic empowerment for SACCOs
- At least 2 SACCOs identified in Kotido and Abim and 3 in Kaabong

Tailored module developed

1. SACCO trainer partner identified
- Develop pitch to UCSCU
- Develop parameters of work
- Profile all SACCOs, including gender
- Identify SACCO partners
- Sign MOU /contract

MoU signed with UCSCU

9. VSLAs, MSMEs, groups and community have access to tailored financial products
- Inform VSLA partners, groups and businesses of tailored financial products availability and opportunity

% increase in the number of poor women and men accessing finance

8. Gender-aware marketing & advertising campaign rolled out
- SACCOs design marketing material
- Work with partners to create gender-responsive marketing plan to reach/target community segments
- Negotiate partnerships and cost-share

Partners contribute to design and cost of marketing campaign

7. SACCOs develop tailored financial products
- Support UCSCU to sign agreement with SACCOs to expand financial products (MoU)
- Facilitate plan to on-board VSLAs and businesses
- Work with SACCOs to develop potential schemes to reduce financial risk
- Initiate development of different accounts by spouses/ joint family accounts.

4 products developed by SACCOs; Joint accounts opened

14. SACCOs and businesses access loans from CB/MFI

At least 1 SACCO per district and 1 business per sector access loans

13. CB/MFI offer loan products to SACCOs / businesses
- Inform SACCOs and business partners of opportunity
- Link VSLAs to SACCOs to access tailored loan products
- Monitor for inclusion of embedded services like financial and business skills training

At least one SACCO per district adopts tailored loan product

12. Commercial banks / MFI develop tailored loan Product for SACCOs / businesses
- Pitch CB/ MFI on opportunity of lending to SACCOs and businesses
- Work with commercial banks to develop best fit loan product
- Work with CB/MFI to develop potential schemes to buy down risk

Tailored loan product for SACCOs / businesses developed

11. Commercial bank partners identified
- Hold meetings with Commercial banks
- Find out what GIZ is up to with Centenary bank
- Sign MOU

At least two commercial bank partners sign MoU

10. Establish partnership with Mango Fund
- Sign MoU
- Link Mango Fund with potential business people / entrepreneurs across all GHG sectors

MoU signed with Mango Fund

Result   *Activities*   *Indicator*

Appendix B: **Weekly Report Example**

Float	June 2014
Targeted Result	Result 7 (Regular vet drug deliveries made)
What does success look like? How will you know that you've achieved this result?	If the drug supplies often make drug deliveries to the vet drug shops and the drug shops keep records for better management.

| Date 7/05/2014 | **Support activity you tried** (*Recruitment, Information-sharing, Skill Building, Role Modeling*) **What are you out doing towards achieving this result?**

Followed with JIVAHWA to capture feedback about Norbrook credit offer, their expectations from Norbrook and when they are placing the next orders.
Followed up with Sagovet's data collection to find data to reflect in the IPTT. | **Were there signs of progress? What?**
Why or why not?
Yes, this was JICAHWA'S response; Positive feedback
• Door step drug delivery at reduced prices
• They have now extended their services to the grass roots
• There is now open competition
• They have now expanded the business
Negative feedback
• They got stuck with drugs they did not order for
• Unclear terms of payment
JICAHWA expectations
• Clear delivery schedule by Norbrook
• Norbrook providing capacity building to CAHWs and livestock farmers
• They expect Norbrook to supply the poultry vaccines as well
• They hope to place another Oder for drugs in the 1st or 2nd week of May.
Got some data on the number of farmers who have bought drugs from Sago vet shop though some of them their names were not captured. The ones whose names were captured were 20 in number. | **What activities will you try next? How will you adapt your tactics based on the success or failings of this activity?**

• Next plan is to follow up with JICAHWA on data collection and share with them more tools for record keeping.
• Discuss with Norbrook about the Newcastle vaccines and expectations from the drug shops. |

Any other comment?
The team is also met the District drug inspector Kotido who acknowledged to have spoken to 2 boys moving around selling drugs from the open market, explaining to them the dangers of selling from the open market and the response was positive. One of them is planning to establish a drug shop, he has already approached some lady in town to help him register the drug shop.

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