



How to set up and manage an adaptive programme

Lessons from the
Action on Climate
Today (ACT)
Programme

Report
July 2017

Author
Katherine Cooke



Oxford Policy
Management

About Oxford Policy Management

Oxford Policy Management is committed to helping low- and middle-income countries achieve growth and reduce poverty and disadvantage through public policy reform.

We seek to bring about lasting positive change using analytical and practical policy expertise. Through our global network of offices, we work in partnership with national decision makers to research, design, implement, and evaluate impactful public policy.

We work in all areas of social and economic policy and governance, including health, finance, education, climate change, and public sector management. We draw on our local and international sector experts to provide the very best evidence-based support.

Oxford Policy Management Limited
Registered in England: 3122495

Level 3, Clarendon House
52 Cornmarket Street
Oxford, OX1 3HJ
United Kingdom

Tel: +44 (0) 1865 207 300
Fax: +44 (0) 1865 207 301
Email: admin@opml.co.uk
Website: www.opml.co.uk
Twitter: [@OPMglobal](https://twitter.com/OPMglobal)
Facebook: [@OPMglobal](https://www.facebook.com/OPMglobal)
YouTube: [@OPMglobal](https://www.youtube.com/OPMglobal)
LinkedIn: [@OPMglobal](https://www.linkedin.com/company/OPMglobal)

'The very nature of working on climate resilience requires adaptive thinking because at the heart of it is understanding that change happens and that you need to respond to changing conditions and be prepared. It is a mind-set that is not fixed in time or space and it's about thinking about change and how you prepare for it, respond to it and make the most out of it. As it is the nature of what we are working on, we need to model it in our systems and approaches, which need to be iterative and adaptive.'

Cristina Rumbaitis del Rio, ACT Regional Programme manager

1 Introduction

Traditional aid design models usually comprise linear, largely pre-planned initiatives, whereby the outcomes and path to achieving them are known from the outset. Such rigid methods are poorly suited to complex problems and contexts, where specific results emerge over time in the course of implementation.

A flexible development assistance delivery model can allow reform areas not anticipated at the project design stage to be tackled as they emerge on the political agenda. Programmes must be geared towards continuous political engagement, which promotes economic and social reform through adaptation to political challenges and opportunities.

Oxford Policy Management (OPM) has been a pioneer in this way of managing projects and has developed substantial experience in managing large adaptive programmes. This note uses practical examples from Action on Climate Today (ACT) and is intended for development practitioners interested in designing and implementing adaptive programmes.

This document forms part of a series that illustrates how change happens in the ACT initiative. This note describes ACT's methodology for operating adaptively within a complex and transient political environment, the parallel document focuses on ACT's approach to understanding and engaging in the political change space.

This paper is structured as follows: first, it outlines the nature of the programme; then it briefly describes the key aspects of the management and decision-making processes that enable and support the adaptive approach of ACT the team.

2 Context

ACT is a £23 million, regional development programme funded by the UK's Department for International Development (DFID) and implemented by OPM, in collaboration with numerous consortium partners. ACT works in partnership with the governments of Afghanistan, Pakistan, Nepal and India to assist these countries in integrating climate adaptation into policies, plans and budgets, so as to become more climate resilient. It also acts to enable these countries' capacity to attract and leverage climate change investment, generating £161 million of additional leveraged funds to date.

ACT operates within a complex environment, involving:

- changes in policy priorities;
- irregular changes in individuals (e.g. ministers etc.) via elections and frequent transfer of government officials to other positions or departments;
- changes in institutions' and structures, such as decentralisation;
- increasing extreme weather events within the region; and
- social and financial changes, including uncertain access to international finance mechanisms.

Key to ACT's success to date is the team's ability to develop, maintain, adapt and flex their relationships effectively and operationalise adaptive practices to ensure sustainable impact of initiatives. This is crucial as there is a lack of case studies on the practicalities of implementation, and particularly on behavioural insights for the successful application of adaptive programming principles by a dynamic, innovative, and entrepreneurial team.

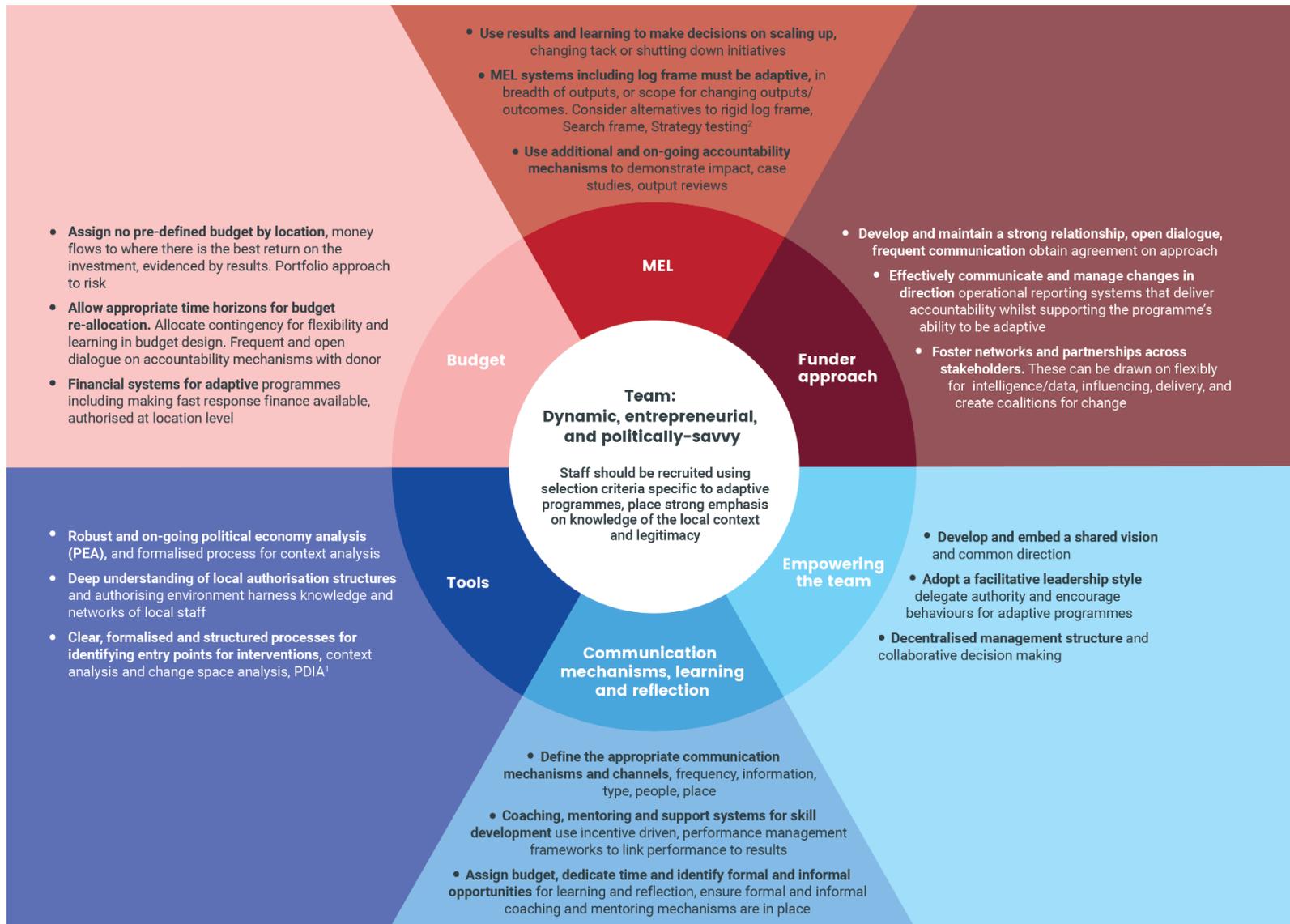
The main concept behind ACT's approach is that, instead of seeking precise predictions of future conditions, adaptive management recognises the uncertainties associated with forecasting future outcomes, and calls for consideration of a range of possible future outcomes. This 'systems thinking' has emphasised how the interlinkages between multiple problems mean that social issues can only be solved through action at the system level, or at least through understanding these interactions at the system level.

3 Framework approach to adaptive programmes

An appropriately supportive programme design and management structure is especially important to manage adaptive programmes such as ACT, which depend heavily on the personal effectiveness of their team members.

The ACT 'culture' and 'structure' are integral to the programme's success to date. The ACT management team have specifically designed the structures, processes and enabling environment to accommodate the operationalisation of ACT as an effective adaptive programme.

Set out below is the overall conceptual framework for the design, implementation and management of the programme, which supports the adaptive approach developed by the team.



3.1 Team profile

Assessing competencies rather than focussing solely on the depth and breadth of technical experience is important for adaptive programmes. Staff should be recruited using selection criteria specific to adaptive programmes, placing strong emphasis on knowledge of the local context and legitimacy. Interviews may involve practical problem-based contextual exercises.

Team members working at the political coal face must have strong local networks and high-level knowledge of local institutions and authorising environments. Government buy-in and cross institutional networking is critical. The ability to manage the different socio-economic and political challenges and differences whilst obtaining broad local support depends on the capability of the team.

The actions of the management team are integral to the team's ability to engage, maintain, adapt and flex their relationships and workplans effectively, and to the programme's ability to adapt.

ACT approach

Local knowledge and networks have been a prominent feature of the programme. All team leaders are from, or have strong links to, the regions in which they are operating, and this means that technical assistance can be better tailored to the context and local needs.

The ACT team applies an approach similar to the thinking and working politically model. This approach is sensitive and responsive to stakeholders' interests and incentives for change, and to changing circumstances more broadly.

In all ACT regions, team leader skills in advocacy, networking, entrepreneurship and strategic communication have been critical. There is no single type of person: styles differ widely across regions. Skills identified for successful deployment of adaptive programmes are; innovation, entrepreneurship, networking, strategic communication, advocacy and flexibility. Strong technical knowledge is not enough.

'Key attributes of a team leader are to be able to adapt and flex, an understanding of government systems that is deeply entrenched in the local context, intuitively understanding how the state government will behave, experience in implementing large programmes – this is a lot more critical than technical knowledge.'

Vidya Soundarajan, ACT India Programme Manager

3.2 Empowering the team

Recruiting the right skillsets alone is not sufficient to run an effective adaptive programme. Teams must be empowered to thrive in an adaptive environment. Shared vision, facilitative leadership which fosters creativity, innovation, and entrepreneurship and motivated staff for maximum productivity, decentralised and collaborative decision-making and delegation of authority are all critical factors that enable teams to operate adaptive programmes effectively.

A shared vision promotes a common goal and creates excitement. Unless a leader articulates a clear and widely accepted direction, there is a real risk that different members will pursue different agendas. Clarity on the core team is also important as ambiguous boundaries can cause dysfunctionality of teams.

Delegation of authority and decentralised, collaborative decision-making are critical to realistic, context-appropriate interventions when dealing with political institutions. Such bottom-up approaches enhance rapid flexibility of the programme whilst increasing sustainable and locally owned impact. Experimental iterations, creativity and novelty should be encouraged.

ACT approach

The ACT leadership team trusts and respects the decisions of the team leaders, encouraging a bottom-up approach in identifying interventions. This has been integral to the success in identifying successful appropriate workstreams and quickly gaining traction within government. It is well recognised within the programme that team leaders best understand the local political context and climatic impacts in their region.

'It is a very adaptive programme in that the way the strategy and planning is developed and decisions are made is a very iterative process and one which has the location team leader at the heart of it in terms of guiding the process themselves, rather than a strictly top-down approach. I may have questioned the initiative and sought alternatives but I don't think I have ever said an outright "No" to a team leader.'

Cristina Rumbaitis del Rio, Regional Programme Manager

In ACT, the decentralised management and ability to make bottom-up decisions (supported by the programme management) has given the team leaders the flexibility they need to maximise their effectiveness. Team leaders have gained sufficient autonomy to make decisions on the spot about what government activities ACT can support, which has greatly enhanced their value to, and credibility with, senior stakeholders. Responsiveness and the ability to act fast have been a clear value of the programme and something several government officials highlighted during interviews. This has empowered team leaders to build the relationships necessary to work effectively in their regions.

'The integration of the technical team (sectoral experts within ACT) to support the team leaders of each locations and their initiative, backstopping whenever required, etc. have created the enabling environment for effective implementation of the programme.'

Sunil Acharya, team leader Nepal

3.3 Communication mechanisms, learning and reflection

Adaptive programmes are fluid by nature, which means that communication is a key element in overcoming the challenges that are presented.

The strength of the relationships that are built amongst the team is dependent on effective communication and the time and space for their development (both formally and informally). It is the responsibility of the management team to create the

mechanisms and channels to enable this; this depends on meeting frequency, information and who is involved. Budget must be assigned to this.

These communication channels and reflection processes also present the opportunity for mentoring, coaching and skills development, both formal and informal. This can include: peer to peer learning, skills development and incentivised performance management frameworks linked to outcomes, which are particularly important when delegating authority to the frontline.

ACT approach

The ACT management team recognises that a strong team will perform effectively, particularly within a technically and geographically complex regional programme such as ACT. Clear mechanisms for communication of the core team within the programme are in place, considering: what type of communication is required, who needs to be communicated with, how frequently, and what needs to be communicated. A budget is specifically assigned to bring together the full core team in a central venue for **quarterly meetings**. This provides an invaluable opportunity for both formal and informal communication, programmatic decisions and knowledge sharing, it provides a safe environment for the team to discuss successes and failures, and to plan the next steps.

‘Often the most important discussions happen in the margins of the quarterly meetings.’

Rizwan Zaman, team leader, Assam

3.4 Tools

Adaptive programmes must have a deep and ongoing understanding of the complex political context in which they are operating, where specific results emerge over time in the course of implementation and the programme must adapt its approach.

If aid is to have a transformative and sustained impact on critical issues, then development programmes must not only be politically informed in design, but politically savvy in their implementation.

ACT approach

In ACT it has been vital for team leaders to take time to understand the context-specific nature of the problems, and the political economy drivers influencing what may be possible in their regions. In order for relationships with government partners to be continuously nurtured and reproduced to remain effective points of engagement, political economy analysis (PEA) must be applied in an iterated way – at a minimum, during regular strategic reviews – aiming to bring ‘thinking and acting politically’ into everyday work to encourage reporting on political constraints as they emerge. ACT uses a dedicated and strategic approach to PEA, called ‘context analysis’, which provides a formal mechanism for continual analysis of the changing context and supports staff in analysing and responding to changing opportunities, momentum and constraints.

Engaging local agents and institutions and adopting a participatory, political economy-focused approach in ACT has helped ensure local ownership and greater sustainability of initiatives. Measuring the institutional context for tackling climate change is important in order to identify the opportunities and barriers for effective adaptation in a specific location. Thorough and ongoing PEA can therefore shape the design of a possible intervention and explain why it has been a success, or not.

There is a separate detailed briefing note which covers the PEA approach in ACT.

The ACT programme is problem-focused rather than solution-driven, such that problems are locally identified and defined, providing the entry point for reform.¹ The ACT approach is aligned with a problem-driven iterative adaptation (PDIA) process for identifying change space, such that the programme focuses on solving locally nominated and defined problems in performance (as opposed to transplanting pre-conceived and pre-packaged ‘best practice’ solutions). The ‘triple A change space’ approach is described in Box 2.

ACT’s alignment with the PDIA1 approach

The PDIA method encourages problems to be broken down into sub-causes (using tools such as an Ishikawa diagram), and then conducting a ‘triple A change space analysis’ for each sub-cause, to help identify where reform space exists, and to assist in understanding how to best sequence activities. A ‘triple A change space analysis’ involves asking three main questions around authority, acceptance, and ability. Specifically, what does the authorising environment look like? Where will authority for the intervention come from? What acceptance is needed to move ahead? What kind of abilities are needed to make real progress? This change space is contingent on contextual factors that are commonly found to influence policy and reform success, shaping what and how much one can do in any policy or reform initiative at any time.²

The iterative nature of PDIA is helpful in this respect, as it fosters constant learning about the authorising environment (in all reflections, at all times, one should be asking what one learned about the authorising environment.³

Within a change space framework that aligns with a PDIA approach, ACT team leaders use continuous context analysis to understand the changing interests, incentives, ideas and relationships within and across governments. They also recognise that it is not easy to navigate the authorising environment and gain acceptance, given the many unseen complexities in most contexts, where one can only see a small part of the rules and mechanisms driving behaviour.⁴ They do, however, have the strategic intelligence, creativity and networks to engage in this change space. This was a fundamental recruitment factor for ACT team leaders. Supported by the management team, ACT team leaders have been able to use a problem-driven and iterative approach in designing and implementing their location strategies, learning as they progress and releasing new or latent capabilities within institutions in the process.

‘The problem-driven nature of the ACT approach ensures a focus on solving the specific problems as a goal, rather than introducing pre-

² These factors have been well discussed in the recent literature on politically smart, locally led development (Booth), and in Brian Levy’s research on ‘working with the grain’ (Levy, 2013).

³ Andrews, Pritchett, Woolcock (2017).

⁴ Andrews, Matt (2013) *The Limits of Institutional Reform* (New York: Cambridge University Press).

designed solutions. It is demand driven and allows local identification of initiatives.'

Soumik Biswas, team leader, Odisha

3.5 Budget approach

Financial systems and budgeting processes must provide a platform for the flexibility that is required in adaptive programmes. Budgets should be flexible and flow to where there is the best return on investment/ greatest impact. A contingency for flexibility and learning should be allocated in budget design. Fast response finance should be made available and authorised at location level. A portfolio approach should be used for risk and frequent and open dialogue on accountability mechanisms should be maintained with donors.

ACT approach

ACT is a regional programme: money is moved to where the likely return on expenditure is greatest.

'We don't assign pre-defined or fixed budget to any country or region at the start of the financial year. We use time horizons for re-allocation of funds. The team leaders must strategically "bid" for it, evidencing the impact of their location strategies.'

Allan Duncan, ACT Programme Director

When team leaders present their location strategies to the core team they are encouraged to be entrepreneurial. Workstreams are assessed against impact parameters, termed a **viability matrix**. During the **quarterly meeting**, team leaders can expect to be met by a range of probing questions on the level of impact of their initiatives. They must come equipped with answers based on technical, qualitative and quantitative evidence as to why this initiative should be funded by the programme. Programme-wide decisions are made against these impact parameters as to which initiatives will be taken forward. The programme is adaptive such that the funds will be spent only on entities that will have the highest impact and will gain the most traction. Team leaders and the management team also reflect on their ongoing '[context analysis](#)', defining the current political landscape, and collaboratively decide how this should inform budget allocations to areas where there is greatest likelihood of impact. Small bets: solutions are developed iteratively and first tested through 'small bets', which can be adapted and then scaled (or abandoned if unsuccessful).

This stimulates competition and efficiency within the programme. If the quality of the team leader's proposal is high, as against the viability matrix, money will be moved there. Team leaders can also make a good business case for the requirement of additional technical experts. Money within the programme is moved to where the management team sees the best return on expenditure in light of impact.

The Rapid Response Mechanism (RRM) in ACT has proved very popular with government partners, as well as being empowering for the team leaders themselves. DFID funds have been highly strategic and much valued in this area. This has played a large part in building confidence and trust and is one of the reasons why

ACT staff could institutionalise themselves quickly, often operating at high levels of government.

ACT is a complex programme dealing with multiple people, countries, and currencies and reporting lines. In a typical adaptive programme, a lot of approvals are required and this can cause delays. In ACT the financial team have designed systems that make the best use of technology allowing rapid electronic approvals which expatiates the system and allows flexibility. The decentralised structure and delegation of authority (from Oxford to regional teams) also allows the operations of the finance team to be more flexible and systems to function more efficiently in light of changing circumstances and across currencies.

3.6 Monitoring, evaluation and learning

Activities in an adaptive programme must be underpinned by formal systems and processes to capture information and make evidence-based decisions. Monitoring is key to adaptive programmes: it is essential for internal learning and adaptation, rather than merely being used as an accountability tool. Results and learning should be used to make decisions on scaling up, changing tack or shutting down initiatives. Monitoring, evaluation and learning (MEL) systems, including logframes, must be adaptive, including breadth of outputs, and/or scope for changing outputs. Alternatives to a rigid logframe, such as a search frame and 'strategy testing', should be used. Additional and ongoing accountability mechanisms should be used to demonstrate impact.

ACT approach

In ACT the MEL function is integrated within the core team to allow collaborative use of information and decision-making.

The ACT team leaders, combined with the programme team and MEL function, regularly evaluate their work streams and overall location strategies. 'Strategy testing' allows teams to 'take stock of experiences', allowing them to stay focused on the most promising returns, while seeking alternatives or rapidly closing down any that are not gaining traction, and learning from them.

Revising ideas frequently allows adjustments to be made as the team learns, optimising their time and allow course corrections. This aspect is intended to foster action learning and promote progress in the nominated problems. The ACT team does not immediately close down initiatives that are not gaining traction; rather they revise ideas and seek alternative approaches.

'Prompted by crowded policy space and new developments, we have needed to change tack on our target sectors in Nepal. We have initiated a new workstream for integration of climate change in sectoral planning, induced by government getting access to additional funding for the ongoing National Adaptation Plan (NAP) work. We have also needed to change one of our workstreams on agriculture climate financing framework to climate impact assessment framework for urban planning to avoid potential overlap with other initiatives supporting the government,

at the request of the UNDP (the UN Development Programme) who were working on the national-level climate financing framework.'

Sunil Acharya, team leader Nepal

The MEL system in ACT works on the basis of intermediate outcome indicators in order to monitor the step-by-step and iterative nature of the workstreams. This allows success or failure of a workstream to be gauged at junctures, allowing the approach to change tack and adapt or possibly drop interventions in the light of change. In ACT a **'results dashboard'** is used to track workstreams and visualise those that have progressed or been discontinued. The results dashboard provides a snapshot of progress for the overall implementation of the programme and its results, according to the four outputs and the intermediate outcomes for the current year and cumulatively from ACT's beginning.

Methods that have worked in one location are capitalised on as initiatives spread to other locations, applying the learning captured by the programme and creating **regional economies of scale** on impact, stimulating both competition and efficiency within the programme. This has worked extremely well in the climate finance units set up in Assam and Nepal, and currently in Pakistan.

Although not adaptive by design, ACT's logframe allows the project to operate in an adaptive manner via the broad scope of the 'change areas'. Agreed by DFID in the design phase, the overall Outcome for ACT is wide-ranging in scope.

Adaptive programmes must identify alternative ways to provide evidence to demonstrate tangible progress against outcomes to the donor. The ACT evaluation team has commissioned seven reports which have been shared with DFID, and the ACT team will be disseminating these more widely to stakeholders.

3.7 Funder approach

Given the fluid nature of adaptive programmes the relationship must also involve flexibility, accountability and patience, as well as the ability to negotiate and make decisions collaboratively and quickly. A strong relationship, open dialogue and frequent communication should be developed and maintained with the funder, fostering partnerships and deep understanding and agreement on the approach.

Adaptive programmes must identify alternative accountability mechanisms to provide evidence to demonstrate tangible progress against outcomes to the funder.

ACT approach

In dealing with ACT, DFID are extremely supportive of the adaptive nature of the programme and are involved in frequent dialogue with the team. As the main funder, they are supportive of the final setup, which facilitates ACT's ability to be adaptive – such that pre-determined budgets are not allocated to any location but rather agreed time horizons are used for re-allocation.

To demonstrate tangible progress against outcomes to the donor. The ACT evaluation team has commissioned seven reports, which have been shared with DFID, and other stakeholders. These include: three separate case studies and four output reviews.

Lessons from these have informed ACT's forward work planning and prioritisation activities, and are also used as supporting evidence on progress against outcomes for the annual review.

4 Conclusions

Although this paper has set out what is considered by the team to be the main characteristics of the management and decision-making style of the programme, which supports the adaptive and responsive nature of the work, this should not be taken as a 'recipe' for how to do this. The very nature of adaptive and responsive programming necessitates a dynamic and thoughtful response to the emerging opportunities, changing political dynamics and risks that present themselves through the life of a programme.

Consequently, a fluid approach to the importance of the various key drivers of an adaptive approach needs to be central to a programme design, ethos and management decision-making structure. However, set out below are the key drivers that are regarded by the ACT as critical and which should therefore have financial, personal and time appropriately allocated to them.

Lessons that are broadly applicable in a range of development contexts are as follows:

- Adaptive programmes require a heavy emphasis on contextual knowledge and building relationships. An understanding of authorisation structures within and across local institutions is needed to effectively navigate the local authorising environment.
- All interventions must be locally led and politically smart if they are to be institutionalised and sustainable.
- Decision-making authority must be given to those operating directly with political actors.
- The ability of a team to be dynamic, innovative and entrepreneurial, and to implement a successful, adaptive programme, depends on their operating environment. It is the management team that has the responsibility to create this.
- Appropriately supportive programme design mechanisms, communication channels and information flows are especially important for flexible programmes, which depend heavily on the personal effectiveness of team members.
- Leadership styles conducive to adaptive programmes must be employed. Communication and continuous coaching and development of the skills required to operate adaptive programmes must be a management priority. The characteristics required for operating adaptive programmes must form the basis of recruitment.
- A flexible delivery model and broad logframe can allow interventions that were not anticipated at project design stage to be acted on as they emerge in the political agenda.

About Oxford Policy Management

Oxford Policy Management is committed to helping low- and middle- income countries achieve growth and reduce poverty and disadvantage through public policy reform.

We seek to bring about lasting positive change using analytical and practical policy expertise. Through our global network of offices, we work in partnership with national decision makers to research, design, implement, and evaluate impactful public policy.

We work in all areas of social and economic policy and governance, including health, finance, education, climate change, and public sector management. We draw on our local and international sector experts to provide the very best evidence-based support.

Find out more

For further information

visit: www.opml.co.uk

Or email: admin@opml.co.uk

    OPMglobal



Oxford Policy Management Limited

Registered in England: 3122495

Registered office: Clarendon House,

Level 3, 52 Cornmarket Street,

Oxford, OX1 3HJ, United Kingdom