



DT Global



ADAPTIVE BASELINE AND STRATEGY: HOW CAN LARGE PROGRAMS SET UP TO BE ADAPTIVE?

TRACKING A SUITE OF ADAPTIVE LARGE PROGRAMS (TAMI) SERIES
Jane Lonsdale, Duncan Green and Mark Pruden

This paper explains how baselines and long-term adaptive management strategies were developed for three large, complex programs. It assesses the adaptive ambition of each program, the enabling/constraining conditions at inception, and how each program has navigated these conditions through the development of their respective strategies.

The purpose of the paper is to demonstrate what a process of intentional adaptive management can look like at inception phase, and how such an approach can help to bridge the gap between design intent and implementation realities.

The primary audience for this paper is DFAT and DT Global. The secondary audience is the wider community of international development practitioners and academics.

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Executive Summary

This paper demonstrates what a process of intentional adaptive management (AM) looks like at the inception phase of three large development assistance programs. Subsequent papers will track how such an approach feeds into results (or the lack of them) over their lifetime.

AM can be distinguished from more traditional aid approaches by its ability to detect and respond both to programs' own 'learning by doing' and to windows of opportunity or threat, e.g. a new leader; a crisis that shakes the status quo and makes decision makers suddenly become open to new ideas; or a new social movement or other organization that offers new possibilities of change. The level of analysis and decision-making required to remain relevant and incorporate learning is markedly higher than in traditional aid programs.

The promise/hypothesis is that AM programs will yield better results, because they 'dance with the system', enabling aid dollars and relationships to be brought to bear with greater effectiveness in a complex and uncertain world of shifting political players, social norms and social organization.

So far, however, many of the best-known examples of the explicit use of AM have been in relatively small programs. Tracking Adaptive Management Initiative (TAMI) aims to fill that gap by working with and supporting larger-scale (DFAT) programs trying to apply AM, to better understand the distinct challenges or advantages they face, and make recommendations to DFAT, DT Global and the wider development community about how this learning can lead to improved practice.

The TAMI program takes advantage of fortunate timing. Within the space of 12 months in 2022/3, DT Global was contracted by DFAT to set up three new programs – each designed to be adaptive. This allows some level of common analysis and comparison, despite differences in their political contexts, program histories and budgets. The three programs are:

- Building Community Engagement in Papua New Guinea (BCEP) – a largely civil society focused program in Papua New Guinea.
- Partnership for Inclusive Prosperity (PROSIVU) – an economic governance program in Timor Leste.
- Tautai – an economic governance program in Samoa.

In this first baseline paper, the four dimensions of the DT Global Framework, namely flexibility, responsiveness, purposive learning and culture, were used to examine the practical conditions and approaches put in place at the start of each program.

None of the programs had ideal initial conditions to be highly adaptive, and several significant factors have at times frustrated efforts to be adaptive. Some of these factors are within DFAT control (e.g. budget size and flexibility), while some are within DT Global control, e.g. getting the staffing and MEL systems in place to move forward. Context-related factors are more often outside the control of the program e.g. Samoa's new government wanting bilateral funds. In summary though:

All had a difficult starting position on ability to respond to the context, for different reasons: budget restrictions, inherited approaches, staff and partners, or government initial hesitancy to engage. Yet positively, all three teams were willing to question assumptions, recognising that solutions to their chosen issues were not known at the start. This lack of rigidity is far from the norm in development.

BCEP had the advantage of a good design: existing components and partners across a wide range of actors that should collectively be able to influence change. However, cuts to the budget ahead of tendering, coupled with allocations agreed ahead of contracting, greatly limited the flexibility needed to reach its adaptive ambitions.

PROSIVU had the advantage of some good existing relationships, staff and activities, but faced a significant shift ahead to transition from being a technical assistance to a politically informed program, and minimal budget flexibility.

Tautai had the advantage of high flexibility but faced major challenges in creating relationships with a new government and therefore identifying entry points with real transformative potential.

Key Insights:

Adaptive spectrum and nuance: adaptive or non-adaptive doesn't need to be a dichotomy, at least for large scale programming. It can be seen as a spectrum and one that can be used in a nuanced way within one large scale program.

Requires high degree of thinking: This applies across program strategy, delivery, MEL, operations and relationships with stakeholders.

Resourcing intensity: Setting up for adaptive management at large scale also highlighted its resource intensiveness and this should be factored into design and procurement.

Locally led – AM connection: The process of developing adaptive portfolio strategies to the programming further underlined a strong interconnection between adaptive management and locally led development. National staff are best placed on understanding the politics and realistic implementation expectations.

Role of DFAT in responding to context changes: The programs require sufficient flexibility within contract and program management structures. Plus, space and trust to manage the programs; managing the programs is what DFAT are contracting out. However, the programs will likely need to earn this trust.

Role of DFAT in political economy analysis: DFAT can play a useful role and should bring broader political economy insights while drawing on program analysis to inform its own diplomatic responsibilities.

Value for money for AM: A focus on effectiveness and efficiency in ways that make sense for AM can help a program explain its approach.

Intentionality advantages: Some initial wins emerged even during the design process. These included: better dialogue with DFAT, leading to enhanced understanding of the inherent uncertainties involved in programming in complex contexts, and flexibility on issues such as setting up 'responsiveness funds' to seize windows of opportunity or support new development actors.

Recommendations:

To DFAT:

- In designs and implementation, consider AM as a spectrum that can be applied to differing degrees depending on the need, and applied with nuance within the same program.
- A decent percentage of unallocated budget (through a ringfenced flexible funding mechanism or similar) is essential to working adaptively.
- Invest in bringing DFAT staff along from the start on understanding what is different about managing adaptively and available internal support mechanisms.
- Ensure that legacy work to be inherited from predecessor programs is considered in the design and procurement phases. Properly invest in the culture shift required to move from a predecessor program to a new program with an AM culture.

To DT Global:

- Ensure leadership teams include staff that already understand adaptive management, ideally national staff or invest in building leadership capacity in AM.
- Build the team around several national staff with a deep understanding of the local political operating context and the necessary networks to navigate it.
- Invest in briefing DFAT upfront and repeatedly on adaptive management in practice.
- Invest in shifts in culture between programs, particularly new phase programs that move from non-AM to AM programs.

Next Steps: This baseline paper explores the initial conditions for the three programs' AM journey. The next paper will report back on the first period of implementation as well as the 'proof of the pudding' of effectiveness: has working adaptively made a difference in the results achieved?

Adaptive management introduction

Adaptive management (AM) is widely acknowledged, and often claimed, as a more effective approach to delivering development programs in contexts of high complexity and uncertainty. It shares much in common with other approaches, such as 'Thinking and Working Politically', 'Problem Driven Iterative Adaptation' and 'Doing Development Differently'. These approaches all seek to move away from the planner mentality whereby aid programs were based on fairly rigid, linear processes that failed to recognize and respond to complexity, power and change, as well as ongoing program learning.

AM programs can be distinguished from more traditional aid programs by their ability to detect and respond to windows of opportunity or threat. E.g. A new leader, a crisis that shakes the status quo and makes decision makers suddenly become open to new ideas, or a new social movement or other organization that offers new possibilities of change. The level of analysis and decision making required to remain relevant and incorporate learning is also therefore markedly higher in AM than in other programming.

The promise/hypothesis is that AM programs will yield better results, because they 'dance with the system', enabling aid dollars and relationships to be brought to bear with greater effectiveness to achieve a given goal in a world of shifting political players, social norms and social organization. This dancing with the system requires local expertise, supporting the depth of contextual knowledge and networks to open doors and new opportunities.

AM has spread out from its initial focus towards governance/institutional reform and is now beginning to be applied to a widening range of sectors (health, education, infrastructure). However, so far, many of the best-known examples of the explicit use of AM are in relatively small programs with annual budgets of less than AUD 5 million. TAMI aims to work with and support larger-scale (DFAT) programs trying to apply AM, to better understand the distinct challenges or advantages they face, and make recommendations to DFAT, DT Global and the development community more generally about how this learning can lead to improved practice.

Introducing DT Global's adaptive management framework

DT Global considers adaptive management in practice as four essential elements operating together: flexibility, responsiveness, purposive learning and an empowering culture.¹

Flexibility is our capacity to adjust (for example strategies, plans and resources) in response to contextual change and learning plus the absence of constraints that force programs to stick to predetermined plans. Generally, this approach requires support from our funder and delegated authority to manage adaptively.

Responsiveness is about engaging deeply with context consistently throughout the program, proposing and testing what we think could work and ensuring that our plans reflect and are shaped by our understanding of local politics and power.

Purposive learning is about review and reflection, including testing and updating the program rationale and assumptions, which leads to strategy and programming decisions and adjustments as our understanding and influencing position evolves.

Culture is about having a team that feels confident and empowered to work with these approaches, which includes having supportive ways of working in place with the client and trust across key relationships.

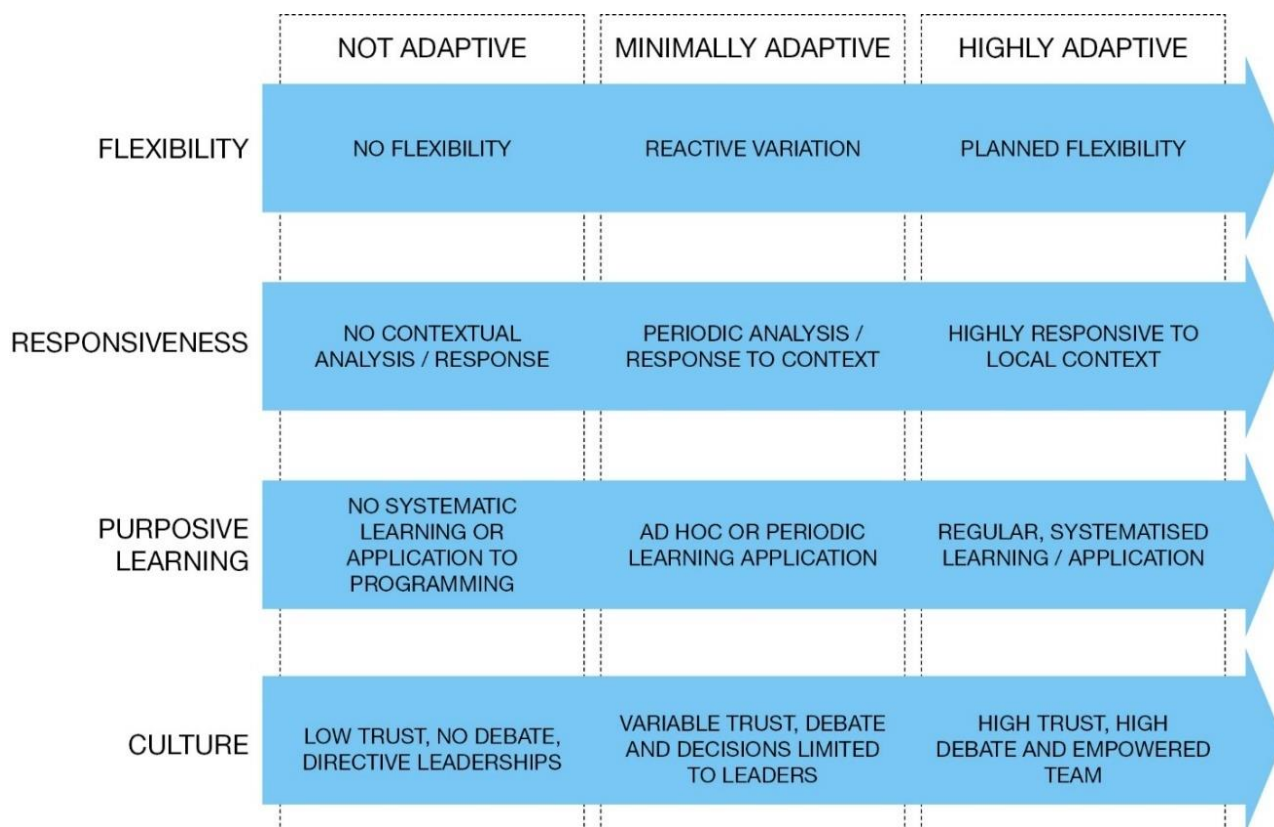
Responsiveness and purposive learning are the dimensions in which program delivery and adaptation sit, whilst flexibility and culture are essential management enabling factors for delivery to thrive. These four elements must all be operating to a high degree for a program (or program component of a large program) to be considered highly adaptive.

¹ Allen + Clarke, Cardno and ODI, 'Towards More Adaptive Approaches to Managing the New Zealand Aid programme- phase 2 report, September 2021. Adapted by Lonsdale, Green & Robertson to include Culture component in 'CGG Final Reflections', October 2021, Cardno.

Adaptive Spectrum:

It is important to note that this AM framework is not intended to be normative (i.e. adaptive programs are good, non-adaptive programs are bad). We see adaptive programming as an effective approach in certain circumstances, but it is not appropriate or necessary for every program, or for every intervention area/activity within a broadly adaptive program. It is also worth highlighting that even the most successful adaptive programs go through a journey to become highly adaptive, with the first year or more usually about gauging the extent to which adaptation is required and in what circumstances, the strategic/technical approach to get there, and supporting systems and resources. The following diagram depicts the framework as a spectrum:

Figure 1. Adaptive spectrum



Adaptive management research evidence gap

Intuitively and based on practitioners' own experience, including that of the authors, adaptive management makes sense as a way of working in the complex, messy environments that surround many development interventions. However, the evidence base on its impact to date is patchy – in what circumstances is it more/less useful? When is it more/less compatible with donor requirements? When do the additional costs (see Conclusions pg 19) outweigh the benefits? This is partly due to the difficulty in finding comparisons and counterfactuals in situations where every context is different and evolves rapidly over time. There is also a significant lack of knowledge and guidance on how to work adaptively at large scale. To seek to address these knowledge gaps, a brief literature review was undertaken to review the evidence base in the areas of AM practice and effectiveness. This review found that, to date, there have been:

- Useful, single country historical studies over long time periods of AM e.g. in Nigeria (Piron et al 2021).
- Organizational learning papers on AM and links to impact e.g. Christian Aid's experiences (Booth et al 2018, Gray and Carl 2022), Oxfam's portfolio of AM programming (Schlingheider et al 2017) and The Asia Foundation's coalitions work that uses AM (Nixon et al 2023).
- Repeated case studies on the same AM programs that tell a story over time on impact and practice e.g. Coalitions for Change in Philippines, Pyoe Pin/ Sone Sie in Myanmar, Chukua Hatua in Tanzania.
- Some useful multi-program comparison papers e.g. A4EA paper on 3 FCDO programs (Christie and Green 2019).

- A meta analysis of AM and doing development differently through a database of 14,000 aid programs compiled and analysed (Honig 2018).

However, there appears to be a research gap on a) the practice and impact of large-scale AM programs in general and b) longitudinal tracking of suites of AM programs that can enable comparisons of when and how to work adaptively in different circumstances. These are the gaps that TAMI seeks to contribute towards.

TAMI introduction

Tracking Adaptive Management Initiative is a real time research project, established to support learning on the evolving practice and impact of adaptive management. It is specifically focused on 1) how programs can be set up to be adaptive from inception, and the associated benefits and lessons; and 2) the challenges of applying adaptive management on large-scale programs, ranging from AUD45-80m. Each of the three program case studies is delivering an intentionally adaptive management approach, supported by an up-front baseline assessment and AM strategy. This is in contrast with common AM practice, which is less structured and reliant on subjective claims of 'adaptiveness'.

During TAMI we will:

- Support a portfolio of programs where we specifically plan for adaptation from the start.
- Track this portfolio over time, and periodically evaluate what is working, what is not, what needs to change. i.e. learning at the portfolio level.
- Generate real-time learning around the conditions for and practice of adaptive management in the programs concerned, to be shared within DT Global, with DFAT and with the wider international development community.

Through TAMI we aim to:

- Demonstrate what intentional, nuanced adaptive management looks like using the DT Global Adaptive Management framework, and applying a spectrum approach that differentiates between non, minimally or highly adaptive programming.
- Detail how to undertake a baseline analysis of adaptive management and develop an AM strategy.
- Track to what extent the adaptive management strategies and action plans can be implemented. This will include examining: the system conditions affecting implementation over time; strategies for addressing system blockages; and the potential to course correct.
- Contribute to the evidence base on how adaptive management supports program effectiveness.

Introducing the suites of programs

Three programs have been selected for monitoring for the lifetime of TAMI, based on having adaptive designs, ambitions to be intentional in their adaptive management, large scale budgets and similar start dates for comparison over the lifetime of the programs. These are:

Building Community Engagement in Papua New Guinea (BCEP) - civil society program in Papua New Guinea.

BCEP began in March 2022. It is an ambitious and innovative social and policy change program, with an initial budget of AUD 80m over 4 years, with a potential for a further 4 years. Its goal is to strengthen citizen-government engagement for improved service delivery and provision of public goods. It has three End of Program Outcomes:

- to collaboratively tackle development problems across actors;
- to support solutions that better serve women and other marginalized groups; and
- to support non-state actors to implement more sustainable solutions.

BCEP is focused on five distinct, but inter-related components:

- Church partnerships program (CPP): which builds on DFAT's long-running support for Churches, to work collaboratively on policy issues; trial social accountability initiatives; strengthen gender equality, disability, and social inclusion (GEDSI); and boost organisational management and performance.
- Coalitions for Change (CfC): a highly adaptive and innovative component, which will identify and support Papua New Guinea (PNG) civil society organisations to build coalitions around issues of national or sub-national significance.
- Media: which builds on DFAT's previous work with the Media for Development Initiative (MDI) which seeks to develop the PNG media to report on government performance, better represent diverse citizen voices and support BCEP program partners to engage the media more effectively.
- Social Accountability: a highly adaptive component which seeks to test and expand the application of social accountability initiatives in a PNG context.
- Government of PNG (GoPNG): which works with selected GoPNG departments interested in improving their transparency and citizen engagement.

Partnership for Inclusive Prosperity (PROSIVU) - economic governance program in Timor Leste.

Parseria Ba Prosperidade Inklusivu or Partnership for Inclusive Prosperity (PROSIVU) began in June 2022. It is an AUD 67 million investment until 2030 (four plus four years). PROSIVU aims to support the Government of Timor-Leste (GoTL) to achieve social and economic development outcomes through strengthened economic development, public financial management and improved public service delivery.

PROSIVU has been designed, building on the lessons learned from the Governance for Development (GfD) program (an AUD 72 million investment that ran from 2013–2022). It is Australia's flagship program providing support to Timor-Leste's central government agencies and economic line-ministries and supports GoTL to achieve:

Three End of Program Outcomes (EoPOs)

- Stronger and more inclusive economic growth;
- Sustainable public finances; and
- Better public administration.

PROSIVU has been designed as a Development Facility² adopting a flexible and politically informed approach that works at the pace and with the priorities of GoTL. Timor-Leste's political context is uncertain and rapidly changes, characterised by frequent changeovers between Governments and high staff turnover within the public service at the bureaucracy level. An adaptive management approach is therefore suitable in many instances in implementing PROSIVU and will be used where flexibility allows 'using feedback loops to accelerate learning and enable the PROSIVU team to adjust course throughout implementation'.³

Tautai – Economic Governance Program in Samoa.

The Governance for Economic Growth Program (Tautai) consolidates and builds on Australia's previous investments supporting Samoa to improve fiscal management and promote equitable economic growth. It is an investment of AUD 45 million over 8 years. The program recognizes the centrality of local leadership and local ownership and the importance of adaptive management in the support of the Government of Samoa as it drives reforms to improve the country's fiscal position and stimulates inclusive broad-based productivity, growth, and improved social wellbeing for all Samoans. Tautai's two End of Program Outcomes are:

- Ministry of Finance (MoF) and the Executive develop and execute annual national budgets with clear policy intent to improve Samoa's fiscal position and deliver on improved social wellbeing.

² Whilst PROSIVU has been designed as a Facility, since the term 'facility' does not translate well in the Timorese context and Tetum language, PROSIVU is referred to as a Program throughout this and other PROSIVU strategies.

³ Taken from the PROSIVU Investment Design Document, March 2022

- Government of Samoa finance and deliver community level economic development that stimulates inclusive broad-based productivity and growth.

Tautai's goal is to promote economic recovery and growth in Samoa with improved fiscal efficiency, reducing the country's vulnerability to debt and external shocks. Tautai is designed to support in policy-driven budget support arrangements, and to complement and support Australia's other major bilateral investment through Tautua, the Human Development and Social Inclusion (HDSI) program, working in health, education and social protection. The program responds to the challenges facing Samoa resulting from the first change in government in 40 years and the impact of the COVID-19 pandemic, which has had a major impact on Samoa.

There are 4 pillars of the program

- Fiscal management: Improved finance sector and whole-of-government coordination and oversight of reforms in revenue collection and public financial management.
- Economic stimulus and investments: Investments delivered by the Government of Samoa and other partners in line with the Pathway for Development of Samoa (PDS).
- Community and private sector engagement: Government of Samoa policy reforms and investment choices informed and supported by industry and the community.
- Multi-stakeholder coordination: Improved integration and coordination of investments within government and with external stakeholders.

In addition to this suite of three core programs to be tracked, case studies of how adaptive management is being implemented in other DT Global programs may also be included in future papers.

Part 2 Baseline and Strategy Paper: Setting up large programs to be adaptive

TAMI Paper 1 explains how baselines and long-term adaptive management strategies were developed for three large, complex programs – BCEP, PROSIVU and Tautai. It sets out where these three different DFAT governance programs have started on their adaptive journey. It examines their intentional adaptive approaches, providing insights into:

1. To what extent development programs should be adaptive in a given operating context.
2. How to set up a ‘portfolio of investments’ approach within a program.
3. What it takes to set up programs to be genuinely adaptive including bridging gaps between program design and actual programming conditions; and moving beyond ‘adaptive washing’ to adaptive substance.
4. The system/environmental conditions that enable adaptive management to work.
5. Tactics for overcoming blockages and constraints.

As a baseline paper, it focuses on how to establish managing adaptively at scale rather than what results are being achieved through this approach. This will be addressed through future papers.

Why another baseline and strategy?

DT Global was tasked by DFAT to set up several new programs – each designed to be adaptive - in the space of 12 months. DT Global chose to apply a common, intentional approach to working adaptively across this portfolio of programs, understanding that:

- Each program was pursuing highly political reform agendas in complex contexts, an adaptive approach was assessed to be appropriate in the face of this uncertainty.
- From DT Global’s experience, many programs claim adaptiveness but don’t substantiate it (adaptive washing). This was an effectiveness risk.
- It is more difficult to work adaptively at scale due to time and resource intensity, and not always feasible/appropriate across all components/activities and partners. This in turn required a nuanced approach to AM for each program.
- Supporting a portfolio of adaptive programs would provide an opportunity to learn and share across the three programs, and with DFAT and the wider development community.

Baseline Process

Starting with BCEP in September 2022, followed by PROSIVU in February 2023 and Tautai in August 2023, each program was assessed against 1) The extent to which AM is required and 2) The baseline of adaptive conditions at inception.

For each program a detailed breakdown of the four dimensions of the DT Global Framework, namely flexibility, responsiveness, purposive learning and culture (see Annexe 2) was used to examine the practical conditions and approaches in place currently (i.e. the baseline situation). For BCEP this assessment was conducted at component level reflecting the very different partners and requirements within each program component.

The extent to which adaptive management is required

Through the following model, three dimensions were assessed for each program as an indication of the extent AM is ideally needed in the given context and for the specific program.

Figure 2. Model for deciding on adaptive management level

		HOW		
		Not adaptive	Minimally adaptive	Highly adaptive
WHAT Issue difficulty + WHERE Context complexity & speed + WHO Stakeholder power	Issue difficulty	Low sensitivity, known solutions	Some sensitivity, some solutions, some norms or political work	Sensitive, unknown solutions, on power, norms, politics
	Context complexity & speed	Relatively stable, slow moving, predictable, transparent	Mix of stability and pockets of complexity	Messy, fast, conflict or structural violence, unpredictable, low transparency
	Stakeholder power	Authorities supportive of issue and partners	Authorities ambivalent on issue and partners	Authorities do not favour the issue or implementing partners

Fifteen assessment questions (refer Annex 3) were asked across the 3 dimensions. The three program management teams self-assessed, providing a score of 0 -2 for each question (where 0 meant no, 1 meant somewhat and 2 meant yes), resulting in a maximum possible total of 30. A higher score indicates more need for adaptive management. The table below shows how the three programs scored themselves according to these dimensions and questions. The scoring was moderated by the same adviser to encourage consistency.

	Not adaptive	Minimally adaptive	Highly adaptive	Possible total
What: Contentiousness of issue			BCEP (12/12) Tautai (11/12) PROSIVU (10/12)	12
Where: Complexity of context		PROSIVU (7/12) Tautai (7/12)	BCEP (9/12)	12
Who: Power/role of stakeholders		PROSIVU (4/6) BCEP (3/6)	Tautai (5/6)	6
Overall: indicative how adaptive		PROSIVU (20)	BCEP (24) Tautai (23)	30
Total range	#0-10	#11-20	#21-30	

While the assessment is indicative only, some useful analysis across the suite of programs emerges:

- All three programs were assessed as working on highly contentious issues. This is to be expected given that they are all governance programs, and within governance, all are working on GEDSI issues to some extent. Therefore power, politics and social norms should be core to their programming issues.
- Papua New Guinea was assessed as a more complex environment to operate in than Samoa and Timor-Leste at the time of assessment, due to the high degree of political and social volatility in PNG compared to the other two countries. However, Timor-Leste has since experienced significant political volatility, demonstrating that the need for adaptiveness will often change over time.
- Conversely, however, BCEP scored itself lowest on power/ role of program stakeholders. BCEP's partners are primarily civil society, who are typically pro-reform but low power. The Government of PNG is one of five components in the program, receiving a relatively small proportion of overall funding and was assessed as supportive to implementing. It may still impact achieving outcomes, depending on the government in place. For PROSIVU and Tautai, their main partner is the respective government, therefore how engaged they are directly influences both whether the program can operate and achieve its

outcomes. Tautai scored highest in this area, reflecting the difficulties of engaging with a change in government when the program began.

- PROSIVU overall was on the cusp of minimally and highly adaptive within DT Global's spectrum at the start of the program, i.e. assessed as needing to be the least adaptive of the three programs. Drilling down, this then differs in the scores at the component level, where for example GEDSI scored themselves more in need of adaptive management than digital governance. This then gives an indication of the level of adaptiveness and responsiveness to be reflected in the programming approaches required per component.

Context comparison limitations

To support the development of AM strategies, a baseline study of adaptiveness was conducted for all three programs. The analysis focuses on programming conditions and capacity, often influenced by the conditions set by the donor. Comparisons of conditions are drawn where useful, while noting they are affected by:

- **Political context:** All three programs were influenced by elections at or near inception, but in different ways. For BCEP, the election returned the same government, but delayed the selection of strategic issues, and did not provide any new momentum for reform. For PROSIVU, the election provided a new government with different interests and priorities from the previous government and a large public service staff turnover within key line agencies, leading much of their work to be put on hold. For Tautai, a more progressive and female-led government was returned, however, initially the change in government complicated matters for Tautai. This led to challenges for the program to establish relationships and agree a work plan.
- **Programming history:** BCEP and PROSIVU were follow-on phases of long-running DFAT programs, allowing them to incorporate prior lessons on what had and hadn't worked. For PROSIVU this was easier as it was a direct iteration of the previous program and run by Cardno/ DT Global. For BCEP many partners were inherited. These successor programs in some instances inherited working practices and assumptions that were not supportive of adaptive management. By contrast, Tautai was a new program, unconstrained by inherited practices but also trying to introduce AM as a new concept to the team, to DFAT and to the Government of Samoa.
- **Size of budget:** BCEP has a significantly larger budget than the other programs. While only a small percentage is able to be flexibly programmed, in actual terms there was still some money to experiment with. By contrast, PROSIVU started with very limited budget flexibility. Tautai had a smaller overall budget and therefore more limited team resources at its disposal relative to BCEP, but maximum program activity budget flexibility.
- **Size of country:** These programs all require specialist skill sets, both technically on governance and managerially on working adaptively. Ideally, to be politically informed requires a program to be locally led as far as possible. This is all difficult to resource in any context, but most difficult for Tautai operating within the small island nation of Samoa with a population of just 230,000.
- **DFAT institutional memory:** For BCEP, DFAT's experiences of highly flexible facilities (not the same as adaptive management) at the time led to a certain wariness of giving flexibility to enable adaptiveness but an openness to try where possible. For PROSIVU, there was a need for DFAT to be convinced on whether adaptive management was necessary or would make a difference. For Tautai, adaptive management was all new to the DFAT team, with an openness to learn.

Summary of conditions and ambitions

Here we summarise and compare the baseline conditions and ambitions for the three programs against the four elements of the DT Global AM Framework. See Annexe 2 for full breakdown.

Building on the baseline assessment, each program developed a program strategy that captured which activities would be managed as highly adaptive, minimally adaptive or not adaptive, and how. This was taken as a starting point, recognizing the programs would evolve in approach, activities and partners.

For each dimension of AM, the team agreed: 1) The level of adaptive ambition, down to the component level as appropriate. 2) An initial action plan to start to move towards these ambitions.

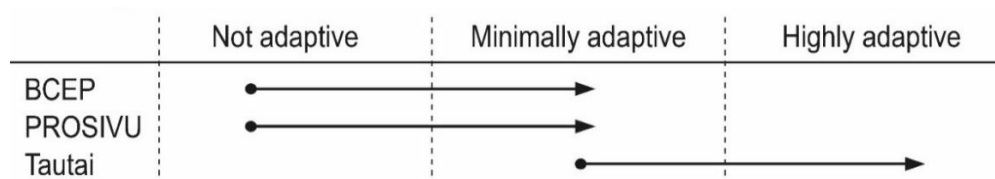
This detailed approach was intentional to enable the teams to pinpoint the existing system blockages, agree on reasonable ambitions across different aspects of the program, and therefore work out a strategy for managing adaptively, and an action plan to get there. There was a commitment as part of the MEL systems to build in an annual review of the AM assessment and an action plan, to enable the programs to track how their intentional process is going and what more needs to be done to support the conditions required to work adaptively.

A note on the diagrams in this section: the dot represents the baseline, the end of the arrow is the ambition. There is considerable variation within each dimension in the detail described below.



Flexibility

Figure 3. Flexibility Overall



The starting point varied significantly per program in all aspects of flexibility. Overall Tautai was assessed as the most flexible, this was due to the high level of budget flexibility which was a major constraint for BCEP and PROSIVU.

Budget: Significant budget flexibility, particularly for activities including unallocated funds, is needed to be adaptive.

- Baseline:** BCEP and PROSIVU had significant issues with lack of unallocated program activity budget at day one. For BCEP, cuts to the budget ahead of tendering, coupled with allocations given to existing partners ahead of contracting significantly impacted flexibility and therefore overall potential to be adaptive. For PROSIVU there were overallocation issues from legacy work and no culture from the previous program of unallocated budget to assign during the year. It is unclear if during design and procurement it was taken into account the extent of legacy work for BCEP and PROSIVU and its implications for a lack of flexibility going forward for the programs. Conversely Tautai had the highest flexibility possible, though noting this can then impact implementation speed whilst a work plan is developed.
- Ambition:** **Ambition** varied significantly depending on the starting position. For BCEP, the action was to bring forward budget, providing some flexibility over and above the high-level of pre-committed expenditure to existing partners and activities. For PROSIVU the action was to agree on initial ringfenced flexible funding approaches, while reviewing the overall work plan and investment approach, as part of an intended shift from technical assistance to more politically informed approaches. For Tautai the imperative was to quickly build new relationships, agree a work plan and start spending their budget, while managing the risk of being locked into low impact activities.

Partners: Contractual flexibility to either change partners as the context and solution requires and/or adaptive capacity within downstream partners is required.

- Baseline:** BCEP inherited 12 partners, only one of whom had significant ambitions to work highly adaptively. There was flexibility to add in partners wherever the budget allowed. PROSIVU inherited a portfolio of partners across government, multi-laterals and civil society, primarily working non-adaptively. Flexibility to add in partners was possible where there was budget available. Tautai had flexibility to work with government departments based on what made sense. The team's experience was that small island

governments must work adaptively for their nations to survive but it was unknown if they would accept an adaptive working approach with Tautai.

- **Ambition:** For BCEP, the ambition included a differentiated approach across the partner portfolio. Long-standing, more traditional civil society support moving from not adaptive to a minimally adaptive approach, mixed with some more highly adaptive partnerships. The strategy was to test these adaptive ways of working and build a case for incremental expansion of adaptive programming subject to results. PROSIVU had minimal ambition for adaptive partnering matching the portfolio of partners, and a desire to adapt grant management to encourage and enable changes to workplans and budgets. Tautai had both risks and opportunity in this area. An initial lack of demand from the government was an issue but meant the program was encouraged to actively seek new, flexible partnerships. Actions were to arrange short-term activities across a range of high-potential departments, with KPIs and regular review to avoid lock in.

Permission space: Flexibility to evolve the logic, approaches and solutions as the program learns is key; solutions should not be pre-determined or narrowly defined.

- **Baseline:** BCEP adapted their End of Program Outcomes (EoPOs) during the inception phase, adding a third EOPO and changing Intermediate Outcomes as part of the MEL strategy development, which ensured all work could be captured within the EOPOs. PROSIVU and Tautai had requested but were unable to change EOPOs, only changes and additions at the Intermediate Outcome level were allowed.
- **Ambition:** The ambition for all three programs was to aim for flexibility in logic and strategy wherever possible and to agree on this as an approach with DFAT. For BCEP, the intention was to agree a couple of strategic issues for the first phase that would help to bring cohesion to a wide-ranging set of partners working on a range of issues, and to keep this open depending on context shifts. PROSIVU aimed for flexibility of approach and lower-level outcomes within an existing logic and various pillar strategies. For Tautai, new strategy development was required at the offset to respond to the incoming government. The theory of change was to be developed in the first year, which opened the door for creativity.

Planning: Flexibility of work plans is necessary to enable a 'best guess' strategy to be tested/iterated.

- **Baseline:** For all three programs, an annual work plan cycle with six monthly reporting was expected. BCEP had four of the five components pre-designed before contracting, some very long-term such as the church partners program building on 18 years of DFAT support. This only left significant scope for strategy change in the undesigned component (social accountability). There was significant scope for adaptive management by the partners if they would like, and at BCEP level potential to move unallocated budget between components. PROSIVU had a pre-determined work plan, with an indicative 3-year work plan, however an annual work planning process gave significant potential for changes along the way. Tautai had no work plan and therefore ultimate flexibility but had significant work ahead to be able build to develop an initial workplan.
- **Ambition:** For BCEP the ambition was to ensure the least fixed components were able to plan in the most flexible way, focusing on coalitions for change, social accountability and GEDSI. For PROSIVU the intention at inception was to adopt shorter-term, more flexible work planning for the highly adaptive elements such as GEDSI and climate change. Actions included looking at adding a 'Drop Add Keep Improve' (DAKI) column to their work plans. For Tautai, the task was to agree and build a work plan from scratch. The risk was that the program would be uncomfortable with the lack of plan in place, and rush into any demands for support, regardless of impact potential. The plan therefore was to log all work under consideration, discuss and document DAKI decisions. Introducing decision making criteria for DAKI decision making would support the team and DFAT to make decisions on what to support.

Responsiveness

Figure 4. Responsiveness Overall



Responsiveness overall is here assessed as the ability to respond to opportunities and threats in the context. Each program though has a nuanced program strategy. Some work is highly adaptive, some much less so (see section 2.3.2), but overall, there is potential to be responsive to the context.

Program analysis: Upfront and everyday political analysis, whether formal or informal, is essential to ongoing strategic judgements. It is important that DFAT also remain actively engaged with political economy tracking and judgements in a program, however programs need space to discuss and make the everyday decisions and judgements that AM requires to be effective.

- **Baseline:** The level of analysis per program varied significantly initially. BCEP had a team of advisors well experienced in PEA and AM, who immediately began to both plan a post-election PEA to identify strategic issues and entry points. PROSIVU was building on an existing team's ways of working – weekly conversations with the Embassy provided a good basis for ongoing analysis though documentation could be improved. Tautai, despite being a new program, had no plans for a formal PEA as it was keen to fulfill its mandate of being demand-led from government. However, informal PEA amongst the leadership team was high, with informal assessment of what would likely have impact within the scope of Tautai's EOPOs.

There are options and trade-offs between being PEA-led and demand-led to find entry points. Both are positive, different routes to context responsiveness. PEA led enables a deeper analysis of systemic problems and where an entry point has potential for a catalytic change. Demand-led opens the program to respond to opportunities and build reputation – though risks investing in low impact activities.

- **Ambition:** All three programs had high ambitions, and all required new systems and in some cases people to achieve this. BCEP was a new program with big ambitions on being politically informed, therefore required investment in both the people and systems to bring PEA to the everyday. BCEP had plans for Tok Storis for staff learning hacks and Tok Politik where staff would regularly come together on a topic and cover the latest political developments and their implications. PROSIVU planned to draw on existing, well-informed local staff and document existing weekly strategic conversations with the Embassy. Buka Hatene conversation spaces were to be tested as a route to bring out existing implicit analysis. Tautai required enough analysis within the team and its networks on potential for change to support intentional judgements on genuine reform potential.

Response to context changes: This aspect of AM sits at the heart of adaptive delivery, the ability to start or stop activities and change implementation speed in response to opportunity and risk. It is important that the client (DFAT) supports flexibility within contract and program management structures, and that program teams are given space and trust to use such mechanisms flexibly and within pre-agreed parameters. Equally, client trust needs to be earned and continuously maintained by programs.

- **Baseline:** All three programs had a lower baseline than ideal. BCEP had high intellectual capacity and networks at the leadership level to be responsive but was constrained by lack of flexible budget and adaptive management being new to most inherited partners. PROSIVU was emerging from a technical assistance (TA) style predecessor program, with a corresponding staffing profile and reputation, so would require significant effort to shift approach. Workplans were initially largely pre-determined, with little programming or budgeting flexibility to respond to context and opportunity analysis. Tautai as a new program with high flexibility could, in theory, be responsive but expected they would need to focus on support requests that would build relationships as their initial focus.
- **Ambition:** BCEP intended to work through how to be strategic on both the selection of issues, and to create a flexible fund within its overall budgeting position to support responsiveness. PROSIVU aimed to complement DFAT-led analysis and priority setting with program-initiated analysis, opportunity

identification and recommendations. Tautai needed to quickly develop mechanisms for a strategy pivot alongside the ability to respond fast to opportunities. For all three programs, decision making criteria or rules of thumb were recommended to be developed that would guide investments and avoid strategic drift.

Program assumptions: The extent to which teams hold onto views and experiences of how the program will operate is key to being able to adapt. Rigidity in thinking can kill any attempts to adapt.

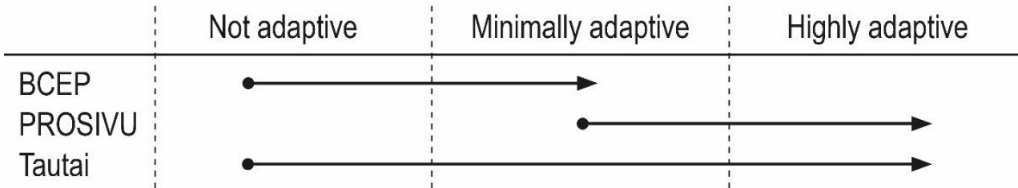
- **Baseline:** For all three program leadership teams there was a positive starting point, with a high team willingness to question, to develop initial assumptions and over time revise these as required. Open, reflective teams meant solutions were not presumed by any leadership team. PROSIVU had learned the limitations of TA-driven programs, leading to a willingness to be more experimental where the program allowed.
- **Ambition:** Given a positive starting point, little was required to convince teams that solutions were unknown and therefore assumptions would need to remain open. The PROSIVU leadership team though would need to bring their broader team along the journey to think beyond the existing technical assistance they were used to and their implicit assumptions on how change happens.

Agency: To be context responsive requires the ability to think and work with politics, power and norms and without pre-determined or narrowly defined solutions.

- **Baseline:** Working on policy and/or norms influencing is central to adaptive governance programming. All three programs though had work to do at the baseline position. For BCEP, some of the inherited programming was service delivery solutions, which was not set up to significantly respond to the context or work on power and accountability shifts. There was though scope and capacity to think and work with power on social accountability, GEDSI and coalitions activities. For PROSIVU, the baseline of inherited work was primarily TA-driven capacity building, a narrower solution than the new program set out. Tautai was set up as a demand led-TA program, and it was unclear how the program could respond if requested to fund activities outside the scope (and strategy once developed) or without genuine reform potential.
- **Ambition:** For all three programs with a mix of TA, service delivery and more politically informed approaches, there were ambitions to shift the balance to an increase in politically informed approaches that could influence or catalyse genuine reform and support lasting change. For BCEP, there was much ambition within the team, therefore the action was around making the most of the unallocated funding to be responsive, and demonstrating this model of programming could support impact. For PROSIVU where most of the programming was supporting government, ambitions were around increasing the coherence of the civil society programming to align with broader, government-focused programming, and to facilitate a shift to better informed decisions or deeper conversations with DFAT and the Timor-Leste government on what to support. The intention was to build a portfolio through different modalities such as research and analytics, and twinning arrangements. For Tautai ambitions were to monitor the decisions and emerging work plan against potential impact and keep the conversation open with DFAT and the government if low impact requests became an issue.

Purposive Learning⁴

Figure 5. Purposive Learning Overall



Both BCEP and PROSIVU had MEL strategies in development up front alongside their adaptive management strategy. This supported them to work out how they were going to develop MEL for decision making, that is purposive learning. BCEP’s starting point as not adaptive reflects that many civil society

⁴ Evaluation is also part of this dimension however at baseline stage there was little discussion on ambition or approach to report.

partners were used to outputs-based reporting rather than MEL for AM/ decision making. The ambition for learning to affect program decisions across the whole program and partners was therefore assessed as minimally adaptive. Tautai also had a low baseline position, having to turn all their attention to a strategic pivot initially and therefore no MEL strategy developed initially.

Theory of change (TOC): in AM these need to be continually developed over time, grounded in learning.

- **Baseline:** BCEP inherited a TOC from the design that was largely set, but with the intent to update the TOC and assumptions yearly and to develop nested TOCs for different aspects where needed. PROSIVU had both program and pillar logics early on, to be reviewed six monthly. Tautai had not inherited a TOC from the design and had a year built in to develop one. This was desirable given that an initial program pivot was required.
- **Ambition:** The ambition of all three programs was to have a TOC that could be updated as learning emerged and context changed, combined with 'nested TOCs' at lower levels where this made sense e.g. by component, sector or partner. All three programs would benefit from introducing these mini theories of change to spell out what success looks like for their major pieces of programming and therefore be able to test its effectiveness.

Learning approach: Requires dedication, resources and space for learning as we go with sophisticated reflection processes that result in TOC updates and DAKI decisions.

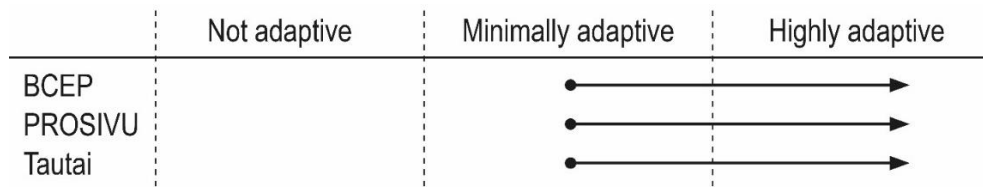
- **Baseline:** BCEP required a strong learning approach as it was taking forward new approaches for DFAT's PNG support such as coalition building and social accountability. It benefited from early Clear Horizon support to develop a strong adaptive learning system on paper, including key learning questions and 6 monthly all partner forums. Creating a learning culture and one that led to changes in programming was new though to many partners. PROSIVU also benefited from Clear Horizon support and cross fertilization of ideas with the BCEP adaptive MEL strategy, with reflection processes set, yet retained a strong focus on results. Tautai had some initial good ambitions, but MEL could not be a strong management focus at inception, with leadership heavily focused on building relationships with the new government to develop a work plan of activities for the program.
- **Ambition:** All three programs adopted six monthly reflection processes. BCEP was intended to be driven by key evaluation and learning questions above performance measures, and the ambition was to set up the MEL strategy to reflect this. PROSIVU planned to explore bringing the government into validation processes to understand progress on activities for government. Tautai planned to focus on reflection events with government and supporting them to be intentionally adaptive in their thinking as a way to be both demand-led by the Samoan government and responsive to the environment.

Monitoring: Timely, triangulated data is necessary to inform the multiple decision points AM requires.

- **Baseline:** For BCEP, the plan was to be guided by key evaluation and learning questions rather than indicator targets wherever possible, and to validate and make sense of data at all partner forums and internal planning sessions. There was a commitment to develop a Management Information System that worked for AM. For PROSIVU the approach was to collect data against the logic and key evaluation questions plus capture unexpected context changes or unintended outcomes. Validation processes with government were envisaged to understand contribution to changes. For Tautai, the MEL strategy was still to be drafted at the time of baseline. There was a trade-off that this risked capturing results until a MEL strategy could be implemented.
- **Ambition:** Governance programming requires significant investment in MEL to monitor and demonstrate success. BCEP planned to both support partner capacity and focus on capturing 'incremental outcomes'. i.e. small instances of change within the program that would either demonstrate the logic of the program stacked up or provide learning on how change was happening and therefore how TOCs and activities would need to adapt. BCEP also intended to trial tailored, local and more qualitative monitoring tools that supported civil society in a predominantly oral society. PROSIVU planned to focus on demonstrating performance, whilst capturing deviations and learning along the way. Tautai aimed to combine traditional and adaptive monitoring indicators and develop monitoring processes that would also be useful to the government.

Culture

Figure 6. Culture Overall



Project leadership: Openness, humility and minimal hierarchy support decision making in AM.

- **Baseline:** For BCEP, the leadership had a national Team Leader with an open attitude supported by a management team with experience in creating the culture needed to work adaptively. For PROSIVU it was initially a mixed picture as the leadership was slow to form and were not yet experienced in adaptive management. For Tautai the leadership promoted a strong team spirit from the start, with questioning encouraged as all sought to find new entry points.
- **Ambition:** BCEP planned to draw on international expertise in AM within the team and build the AM skills of the Team Leader and other Senior Management Team members. PROSIVU aimed to invest in the analysis skills of existing national and international staff; the AM leadership sat primarily with the Program Quality Lead. Tautai leadership team committed to learn adaptive management as a team through dedicated sessions, to become comfortable with a new way of management.

Technical/ program staff profile: Well networked teams that combine deep relationships with technical credibility and humility are a must for AM.

- **Baseline:** For BCEP, the national Team Leader was a major asset. However, below the Team Leader there was initially a gap in senior national staff and a technical reliance on international advisors. These advisors were recruited based on genuinely understanding locally-led development and AM. For PROSIVU, inherited advisors had deep relationships with senior government members. For Tautai, the Deputy Team Leader was a major asset for connections with powerholders. The Tautai team was small so very dependent on a couple of key staff.
- **Ambition:** BCEP planned to recruit additional high quality local experts to lead specific components, to support its intentions to be politically informed and locally led. PROSIVU and Tautai planned to increase their adaptive MEL capacity and increase their program staffing numbers.

Ways of working with the client: AM requires a deep partnership, learning and collective problem-solving with the client, going far beyond traditional contracting relationships.

- **Baseline:** For BCEP, there was openness from key contacts, who had worked hard to get BCEP approved internally, and despite the budget constraints in the final design had a dedication to working differently. For PROSIVU, DFAT were keen for this next iteration of their economic governance program to be more strategic yet had initial questions about understanding the role of AM to inform and iteratively shape program strategy. For Tautai, there was openness in DFAT, and acceptance this was their first experience of AM and there was learning to be done.
- **Ambition:** All three programs required investment in their DFAT relationship, including supporting DFAT's understanding on what is different when managing adaptively. This was then to be set out in a Ways of Working Charter to provide a basis for working together that would give the flexibility and culture required. Expectations for DFAT's role in responsiveness and purposive learning were to some extent set out in these Ways of Working Charters, however this is an area that is expected to be subject to trial and error and evolve with the programs.

Portfolio Strategies

Each program examined the portfolio of work they either inherited or were trying to build up, to decide how to manage it using an ‘investment portfolio’ approach. This thinking comes from the world of finance. For development programs it involves purposeful selection of activities as a combination of low risk, low potential return of results and higher risk, higher potential return of results. In this approach, the program spreads the risk of the program delivering some results, whilst being open to more impactful, potentially transformative opportunities. Where possible this portfolio of activities is then adjusted over time to maximize potential impact, accepting that with a limited budget, trade-offs are inevitable: investment or continued investment in one activity prevents investment in other potentially higher impact activities. Discussions were had within each team examining:

- What initial activities or partners were in the long-term, uncontroversial, low impact bracket? These include activities that might be pursued primarily for a ‘relationship return’.
- What initial activities were higher risk but with potentially more transformative/ higher potential results against the EOPOs?

The following headline portfolio strategies for each program were agreed, comprising a mix of issues, partners and approaches and the associated level of adaptive ambition.

BCEP: twin-track adaptive approach

Bed Rock (minimally adaptive ambition) 80%	Adaptive (highly adaptive ambition) 20%
<ul style="list-style-type: none"> ▪ Church Partnerships ▪ Media ▪ Government 	<ul style="list-style-type: none"> ▪ Coalitions ▪ Social accountability ▪ GEDSI

PROSIVU: multi-track adaptive approach

Not/Regular	Minimal	Highly
<ul style="list-style-type: none"> ▪ Australian Bureau for Statistics grant (traditional twinning) ▪ Training on accounting standards ▪ World Bank and IFC grants 	<ul style="list-style-type: none"> ▪ Technical assistance shift and comparison ▪ New approaches to twinning ▪ ICT capacity ▪ Infrastructure 	<ul style="list-style-type: none"> ▪ Problem Driven Iterative Adaptation ▪ Influencing approach ▪ Civil society reform engagement ▪ Support for The Asia Foundation, Oxfam, local thinktank ▪ GEDSI strategy ▪ Climate change work

Tautai: evolving multi-track approach

Not adaptive	Minimally adaptive	Highly adaptive
<ul style="list-style-type: none"> ▪ Voter registration ▪ Household survey 	<ul style="list-style-type: none"> ▪ Minimum wage ▪ Tourism development 	<ul style="list-style-type: none"> ▪ Climate change ▪ District development plans ▪ Decentralisation ▪ GEDSI

What does the baseline tell us?

The baseline gives insight into what it would take to be adaptive, and where three large governance programs, all commissioned from the outset to be managed adaptively, were starting from.

None of the programs had ideal conditions to be highly adaptive at the start of the program, although they had working adaptively in their design when tendered. Several significant factors have at times frustrated early efforts to be adaptive. Some of these factors are within DFAT control (e.g. budget size and flexibility), while some are within DT Global control (e.g. getting the staffing and MEL systems in place to move forward). Context-related factors are more often outside the control of the program (e.g. changes in government). In summary though:

- All had a difficult starting position on ability to respond to the context, for different reasons: budget restrictions, inherited conditions, and changes in government between design and contracting. Yet positively, all three program and DFAT teams were willing to question assumptions showing a recognition amongst the teams that solutions to the issues they were due to work on were not known at the start. This lack of rigidity is far from the norm in development and gave possibilities for all three programs.
- B CEP had the advantage of a good design: existing components and partners across a wide range of actors that should collectively be able to influence change. However, cuts to the budget ahead of tendering, and allocations set ahead of contracting, greatly limited flexibility to reach its adaptive ambitions.
- PROSIVU had the advantage of some good existing relationships, staff and activities, but a long road ahead to shift from being a technical assistance to a politically informed program, with minimal budget flexibility to get there.
- Tautai had the advantage of high flexibility but faced a significant challenge in creating new relationships with a new government.

Change in adaptive conditions

Through the intentional baselining, ambitions and portfolio strategy process described above, there were several achievements on shifting the initial adaptive conditions across the programs.

B CEP

- DFAT commitment to extra coalition partners
- Responsiveness Fund agreed (2% of program budget, AUD 400K/year)
- Agreement to shifting budget to highly adaptive work as it becomes available
- Open relationship: Ways of Working review, honest conversations, hard decisions
- Commitment to invest in partner capacity in adaptive management
- Ability to report when we adapted and why we couldn't
- DFAT Port Moresby were better positioned to describe B CEP's approach to Canberra

PROSIVU

- Small ringfenced flexible budgets x 3 – climate, GEDSI, innovation
- Profile with DFAT and World Bank on adaptive approaches
- Commitment to rules of thumb – new basis to say no
- DFAT convinced on new applied PEA and adaptive MEL – an inherited concern.

Tautai

- Team and DFAT equipped to understand adaptive management and take advantage of the operating space; newfound confidence that uncertainty and unplanned budgets can be a positive.
- Interest from the Government of Samoa in adaptive management, which unlocked new entry points.

Conclusions and recommendations

Conclusions

This paper explains how baselines and long-term adaptive management strategies were developed for three large, complex programs and compares starting points across the suite of programs. It demonstrates what a process of intentional adaptive management can look like at inception phase, and what shifts in the original design can be achieved through such a focused upfront approach. Some key insights that emerged are:

Adaptive spectrum and nuance: It became increasingly clear during the process that adaptive or non-adaptive doesn't need to be a dichotomy, at least for large scale programming. It can be seen as a spectrum and one that can be used in a nuanced way within one large scale program. This is helpful in managing perceived risks and containing additional resourcing requirements for working adaptively.

Requires high degree of thinking: This applies across program strategy, delivery, MEL, operations and relationships with stakeholders. There is additional thinking required in AM, in the large amount of questioning and deciding what activities to start, in working through the politics and norms within each activity delivering, in the expected continued questioning of approaches and solutions effectiveness, and in repeatedly deciding what to do. The more frequent reflection moments with expectations of programming changes all require intensive thinking. If done well this is what should lead to increased relevance and effectiveness.

Resourcing intensity: Setting up for adaptive management at large scale also highlighted its resource intensiveness and this should be factored into design and procurement. If done well it would indicate the need for:

- Increased MEL costs- because of the level of decision making and questioning assumptions, and requires more frequent data, more review points, and more learning time and focus.
- Higher operations costs in some functions– activity volume is often higher in AM projects because it is experimental, with lots of small lower cost bets that all require operationalising. That can for example manifest as bigger sub-granting teams or sub-contracting teams, and events management costs if frequently needed including for MEL activities.
- Increased levels of management and technical oversight, reflecting the level of continued questioning and decision making required.

The expected benefit if adaptive management is done well should be programs that are more effective, have higher impact, and are more relevant. However, this remains to be tested. If this holds true, and if the context and topic the program is operating in dictates that AM is required, i.e. solutions are unknown, context is complex and politically sensitive, then despite higher operating costs it would result in better value for money than an ineffective non adaptive program.

Locally led – AM connection: The process of developing adaptive portfolio strategies to the programming further underlined a strong interconnection between adaptive management and locally led development. National staff are best placed on understanding both the politics and setting out expectations on what is realistic during implementation. While there remains value in the technical support brought in from 'useful outsiders', the importance of developing an inclusive culture that enables locally engaged staff in both contractors and DFAT to put forward their analysis and guide implementation should not be underestimated.

Role of DFAT in responding to context changes: It was clear from the development of the adaptive management strategies and ways of working charters between the programs and DFAT, that DFAT's role in adaptive management will need to evolve with the programs. The programs require sufficient flexibility within contract and program management structures, in addition to space and trust to manage the programs; managing the programs is what DFAT are contracting out. However, the programs will likely need to earn and continuously maintain this trust. Programs need to understand DFAT's imperatives and non-negotiables, ensuring they make good judgements about when to brief DFAT, raise risk, and report issues. It is generally good practice to establish these expectations clearly in advance through joint 'ways of working' agreements or similar, tailored for AM needs. More insights into DFAT's role during AM should emerge through implementation.

Role of DFAT in political economy analysis: DFAT can play a useful role on the political economy analysis. DFAT should bring broader political economy insights to the table from across its country portfolio, while drawing on program analysis to inform its own diplomatic responsibilities. However, this engagement

should not extend to a 'gatekeeper' function - programs need space to discuss and make the everyday decisions and judgements that AM requires. Micromanagement is not conducive to good AM.

Value for money for AM: A focus on effectiveness and efficiency in ways that make sense for AM can help a program explain its approach. On effectiveness, ensuring the program is articulating what success looks like, for example through annual outcome targets for individual pieces of work and a clear line of sight on specific changes it is working towards is important in demonstrating strategy and performance on effectiveness. On efficiency, the extent that regular investment decisions need to be made is specific to AM. By dropping and pausing activities that have no prospect of achieving impact, an AM program has reasonable potential to be optimising resource and results and therefore be effective. Ensuring these decisions are happening and not being avoided could also form part of value for money assessment. In a complex politically sensitive program where the solutions are unknown, if relevance, results and impact are being achieved to an acceptable degree and efficiency is being optimised then this would infer value for money is being achieved.

Intentionality advantages: Conclusions on the process of developing adaptive management assessments and strategies are that program leadership teams were better equipped to:

- Be intentional, providing improved clarity on how to manage the program.
- Educate the program teams and DFAT teams on what AM is and is not. Having a framework gave confidence that AM was understood organisationally.
- Work out blockages to being responsive and actions required.
- Work out a nuanced approach on how adaptive the activities across the program would be.
- Manage expectations (team, client, partners) on how far the program would or would not be adaptive.
- Avoid strategy drift through a focus on decision making criteria to build the program of activities.
- Provide a basis for agreeing increased flexibility and quicker turnarounds with the client, initially and as implementation progressed.
- Enable responsiveness to be demonstrated – having a common framework and language to report on when this was and was not possible.
- Establish an AM baseline against which AM plan progress could be tracked.

However, the programs' ability to start to reach their ambitions in the various dimensions of adaptive management are interdependent. It remains to be seen what will be possible. In particular, ambitions to become more responsive require actions in the flexibility and culture dimensions to be taken.

Adaptive management should not be a default approach but rather used intentionally and with nuance. Such an approach should give programs teams and DFAT the best chance to start on the best path possible with expectations clear and know what blockages they'll need to address along the way.

Recommendations: Design, contracting and inception considerations

To DFAT:

- Ensure the budget matches the design intent. A decent percentage of unallocated budget (through a ringfenced flexible funding mechanism or similar) is key to being able to work adaptively. Often there seems to be a reluctance to keep funds unallocated at the beginning of a program or during annual work planning, it is somehow seen as high risk. The opposite is often true. Being able to respond to opportunities and risks is what makes or breaks the impact of a program that requires an adaptive approach.
- In designs and implementation, consider AM as a spectrum that can be applied to differing degrees depending on the need, and applied with nuance within the same program. This approach enables expectations to be agreed on what work will be managed to what level of adaptiveness. This doesn't necessarily need to be decided during a design, it can be part of an inception.
- Ensure that legacy work to be inherited from predecessor programs is taken into account in the design and procurement phases. Similarly, DFAT and contractors should minimize new contracting in the year before a program closure if a follow-on program is anticipated. The more legacy work, the less flexibility and therefore adaptive capacity becomes a reality under the new arrangement.

- Properly invest in the culture shift required to move from a predecessor program to a new program with an AM culture. This requires repeatedly investing in since there will be different people with different skills and interests responsible at different points in a program.
- Ensure deliverables include a program strategy developed early on (with commitment for this to evolve). Too much unallocated budget with no strategy to hang decisions on can lead to ‘flexible chaos’.
- Invest in bringing DFAT staff along from the start on understanding what is different about managing adaptively. Consider internal mentoring between adaptive programs for DFAT staff.
- Support investment in building the AM understanding of the program’s main partners: government counterparts or civil society grantees for example.
- Consider specific AM value for money measurements on program effectiveness and efficiency.

To DT Global:

- Ensure leadership teams include staff that already understand, or are trained in adaptive management, ideally national staff (supported by international experts with the right attributes as required).
- Build the team around several top national staff to support politically informed programming.
- Ensure that willingness to work adaptively is an essential requirement for all key positions.
- Provide AM training to all staff and partners, including MEL and operations staff. Access to DT Global’s community of practice and materials provides a starting point, however programs looking to set up as adaptive or shift to be adaptive require dedicated capacity support and ideally accompaniment during implementation.
- Invest in briefing DFAT upfront and repeatedly (particularly for new staff) on what adaptive management looks like, what is different and continue to engage with them on what this means for DFAT as the program and adaptive management journey evolves.
- Invest in shifts in culture between programs, particularly new phase programs that move from non-AM to AM programs. These teams will be used to a specific way of working with each other, with partners and with the funder that will need a dedicated and repeated investment to change.
- Plan for year 1 adequate MEL accompaniment for new program teams. E.g. a theory of change to support Tautai’s pivot rather than a wait and see approach would have helped guide the team.
- Consider mainstreaming this approach of investing in adaptive management baselining, and strategy for new or next iteration programs that have been commissioned to work adaptively.

What next for TAMI?

The next TAMI paper in the series will report back on the first year of implementation. Questions to be examined include:

- What did these programs manage to do?
- Did working adaptively (to the extent possible as set out in this paper) make a difference to their programming decisions?
- Is there evidence of program impact that has been supported by working adaptively?
- On the conditions for AM, what went backwards and forwards?
- Were they able to secure any further improvements in their baseline conditions?

Future papers will revisit these conditions and over time add in an increasing focus on effectiveness: has working adaptively made a difference in the results achieved?

Annexe 1: References

In preparation for TAMI, several sources were reviewed. Examples of adaptive management learning were sought for single programs, multiple programs managed as a whole, and comparative studies looking at trends and patterns between different programs. The sources were reviewed considering the following questions:

1. What real time monitoring and evaluation has taken place in programs that claim to be adaptive?
2. What long-term tracking has taken place in programs that claim to be adaptive?
3. How programs evolve, take decisions, measure impact and maximise impact (including impact at scale i.e. beyond the confines of the program)?
4. How programs navigated the operating environment with donor, implementor and downstream partners? Including contracting

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Annexe 2: So what is different when managing adaptively?

Taken from DT Global's Guidance note: Practical Introduction to Adaptive Management, J Lonsdale & M Pruden, 2022

	Not Adaptive	Minimally Adaptive	Highly Adaptive
Flexibility			
Budget	Fixed with % variance / reallocations.	Flexibility to re-allocate expenditure within agreed budget envelope, including for new or adjusted activities. Existence of unallocated funds for piloting / innovation / responsiveness to emerging opportunities.	Budget agreed as a lump sum tied to outcome / results, with significant flexibility around what activities / inputs are funded from that lump sum. Budget is not sub-contracted / sub-granted in full up front, proportion retained with the implementer to respond (and grant / contract) to emerging opportunities and evidence of what works during program lifetime.
Partners	Contracted for project period, usually stable plus minor additions.	Contracted for project period with review / break points.	Either: majority of partners contracted per pilot / activity, meaning partner portfolio may change multiple times. Or: using longer-term program partners that understand and are committed to significant regular adaptations with the contractual flexibility to enable this.
Permission space	Detailed outputs and results, and strict controls.	Results and outputs are detailed with some flexibility to change outputs.	Client supports an evolving theory of change and shifts in program logic (and therefore results / EOPOs and outputs) below goal level.
Planning	Technical solution may be determined by client during program design or determined during inception. Assumes proven approach / solution. Work plan detailed for contract period, minor amendments possible.	Scope of contract known at the start with some development of strategy / approaches mainly at inception phase. Annual planning based.	Collaborative and problem based. Based on 'best guess' strategy, trialling and testing that strategy, observing what works, and updating the strategy (and potentially the underlying theory of change). Work plans may be detailed for just 3-6 months, rolling as new activities or adjustments emerge, while others are dropped.
Responsiveness			
Program analysis	Upfront PEA, then often risk based.	Conduct static PEA once or twice a year, and keep client updated on day-to-day changes.	Upfront PEA to identify problems, ongoing PEA of reform opportunities. PEA systematically feeds into new opportunities and DAKI decisions.
Response to context changes	Risk management primarily.	Risk management + sufficiently flexible to react to significant contextual change including political.	Risk management + opportunity assessment for new reform entry points, able to respond fast. Potential for major strategy pivots. Assumption is change isn't linear, major unknown context changes expected. Risk assessment at portfolio level to ensure balance of higher and lower risk activities.
Program assumptions	Defined upfront and rarely revisited.	Defined upfront, some space to refine and update.	Developed and continually questioned over time. Willingness to question assumptions, tactics and personal views is key.
Agency	Direct service delivery or infrastructure support plus solutions focused technical assistance account for the vast majority of budget.	Significant degree of service delivery, direct support, technical assistance with some policy influence and/or social norms change approaches.	Thinking and working politically. Policy and/or norm influence, relationship building and coalition / network development form key approaches and outcomes. Technical assistance when offered is facilitative and process based above solutions or capacity training based.

	Not Adaptive	Minimally Adaptive	Highly Adaptive
Purposive learning			
Theory of change	Prescribed through the design process and expected to be fixed throughout the program.	Developed during the design process, usually only updated at the approach level during periodic reviews.	Developed over time, becoming more grounded and sophisticated; assumptions and hypotheses updated systematically during learning reviews. Nested mini TOCs for each component / pilot / activity.
Learning approach	Annual or less frequent learning reviews; may be little consequence on approach / activities. Primarily proving success. Led by externally contracted, objective, outside reviewers.	Conduct multi-stakeholder learning events once or twice a year and adjust work plans based on this. May be externally or internally led and facilitated.	Sophisticated 3 or 6 monthly reviews of project TOC, nested TOCs and decisions on what to Drop, Adapt, Keep, Improve (DAKI). Emphasis on experimentation, learning as we go, requiring acceptance of pilot / activity failure. Internally led.
Monitoring	Guided by reporting on results-based MEL framework / against original design.	Guided by reporting on results-based MEL framework with intentional space to capture deviations.	Guided by need to make frequent DAKI decisions. Measures incremental change. Measuring multiple pilot / pathway changes simultaneously.
Evaluation	Guided by logframe outcomes and indicators to demonstrate attribution / contribution. External evaluation, generally only at mid-point and end.	Guided by program logic with some space to reflect on deviations.	Identifies system level outcomes and focuses on contribution analysis.
Culture			
Project leadership	Focused on tasking / delivery / performance management against clear work plan. Little requirement for questioning or discussion of approaches or activities.	Staff / structures / mechanisms encourage some degree of openness of discussion, sharing and delegated decision-making.	Minimal-hierarchy, dependent on strong national staff, culture of openness, questioning and flat structure for decision-making.
Technical / program staff profile	Strong technical skills and subject knowledge, project management skills.	Strong technical skills and one or two staff are skilled at political analysis and well connected.	Team of well networked, deep relationships with power holders, well regarded political analysers, technical credibility, humility.
Ways of working	Traditional client-implementer relationship focused on results delivery. Traditional implementer-partner relationships focus on accountability and delivery.	Some degree of partnership and challenge possible with the client. Some degree of technical relationship and support with partners.	Deep partnership with the client, intellectual challenge within the team and between implementer and client encouraged at all levels. Deep working partnership with client, with agreed support areas, mutual learning and open discussions on adapting approaches.

Annexe 3: Questions to assess level of adaptive management required

Reference: Questions adapted from Barnes & Lonsdale 2023 in DT Global Practical Introduction to Adaptive Management

