



Opportunities and challenges for DAC members in ‘adapting to context’

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Key messages

- New principles for OECD DAC members on ‘Managing for Sustainable Development Results’ emphasise tailoring result management approaches to different contexts; balancing internal compliance with empowerment at ground level; and adapting implementation in the pursuit of long-term outcomes. However development organisations face numerous challenges in aligning with these principles in practice.
- Reporting and evidence collection processes do not consistently encourage adaptive practice, reflecting their orientation towards accountability over learning. Context analysis is common during programme design, but used less on an ongoing basis. Popular tools – such as logical frameworks and theories of change - are often interpreted in linear ways, not as ‘living documents’ that react and change over time.
- Organisations need to meaningfully empower staff to work adaptively, including examining incentives and cultures that can make staff more comfortable with traditional results management. Even when senior leadership is supportive of adaptive ways of working, they can lack a clear understanding of the resourcing required and appropriate governance and management processes.
- Development organisations and their partners have attempted to address these challenges through the use of different monitoring and evaluation tools and methods, changes to reporting frameworks and templates, and initiatives to create positive incentives and motivate staff, leadership and partners at different levels.

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About this paper

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Forthcoming: OECD (2021) ‘Guiding principles on managing for sustainable development results: key issues and guidance to support implementation’. Discussion Paper, OECD/DAC Results Community Workshop, 19 November 2020 (www.oecd.org/dac/results-development/results-documents.htm).

1 Introduction

In July 2019, following consultation among members, the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) adopted a set of Guiding Principles on Managing for Sustainable Development Results (MfSDR).¹ These principles 'aim to help development organisations navigate complex development co-operation and humanitarian challenges to reach their expected results and support sustainable development effectively' (OECD DAC, 2019: 2). These supersede a set of principles agreed in 2004, reflecting the changing context of development co-operation since then, as well as evolution in the interpretation and practice of results-based management.

Principle Two – 'Adapt to context' – states that 'MfSDR systems, methods and approaches should be flexible to allow for tailoring to different operational contexts, modalities of engagement, and types of partnerships'. This principle builds on growing evidence that development results are best achieved through support that is tailored to different contexts and can work in adaptive and flexible ways where needed. A range of initiatives (for example Doing Development Differently, Problem Driven Iterative Adaptation, and Thinking and Working Politically) are attempting to embed these approaches in development organisations and to increase their uptake. The Covid-19 crisis has only heightened the importance of such principles – strategies that are designed to adapt to change will be essential in addressing the unpredictability of the pandemic (Ramalingam et al., 2020).

Principle Two has three key elements:

1. Recognising that development is a complex undertaking involving many different actors and confronted with volatile and uncertain situations, development organisations should tailor their approach to the various partnerships and modalities of engagement, and adapt to each partner country context and local change processes. They also need to be flexible enough to adjust to rapidly evolving situations.
2. Development organisations must seek a balanced approach between compliance with internal requirements and empowerment at ground level. Managers have the authority and flexibility to tailor the management approach depending on the type of engagement and local context.
3. Development organisations should focus on achieving long-term outcomes rather than only on short-term deliverables. Depending on the circumstances, managers can adapt the deliverables and arrange resources as required to achieve the desired outcomes. This requires a sound understanding of local dynamics, clear outcomes and adaptable outputs. Iterative (rather than linear) approaches might be adopted to address the complexity of the operational environment. Processes are documented to monitor progress and facilitate learning.

¹The six MfSDR principles are: support sustainable development goals and desired change; adapt to context; enhance country ownership, mutual accountability and transparency; maximise the use of results information for learning and decision-making; foster a culture of results and learning; develop a results system that is manageable and reliable.

This paper focuses on perspectives from OECD-DAC members² (as well as available literature and resources) on the issues and challenges they face in aligning with this principle. It sets out the challenges that providers of development co-operation describe and examples of the approaches they have taken to address each challenge, and we conclude with some brief reflections on adapting to Covid-19 contexts. The paper also draws on the results of an OECD-DAC Results Community survey³ conducted in 2019 with bilateral and multilateral providers on how they see their current results approach standing vis-à-vis the six guiding principles, as well what they perceive as their internal strengths and weaknesses. However, this is a short paper and so focuses on the key themes of interest for the members of the OECD-DAC working group on Principle Two, rather than covering the entirety of the principle. The paper aims to support critical reflection from senior decision makers within development organisations on how to build organisations conducive to adaptive working, as well as to provide pointers for junior and mid-management development professionals to good practice from within DAC member organisations.

²The OECD DAC membership includes 29 bilateral donors and the European Union – see <https://www.oecd.org/dac/development-assistance-committee/> for more information.

³The full survey results will be published as an OECD Working Paper in early 2021.

2 Key challenges in adapting to context

2.1 Clarifying and balancing flexibility and responsiveness with adaptiveness

In order to effectively deliver results, all development programmes need to be responsive to changes in their operating context. The design of some programmes will give them more flexibility to be responsive to change than others. Adaptiveness, or what is often now called ‘adaptive management’, is about more than just flexibility, however: it involves *intentionally* setting up processes to test approaches, generate learning and then adapt based upon this information. Thus, while all forms of development support should have some element of flexibility, only some will need to be purposively adaptive to context. Evidence plays a central role in the latter, while flexibility can be prompted by multiple factors in all programmes.

DAC members interviewed spoke of the importance of a clear understanding of adaptive management or adapting to context. For many members, there is a challenge that the language of adaptive management is increasingly adopted (for example in business cases or project proposals) but in practice adaptation is not fully realised or is only superficially noted. It may also be seen as an excuse to ‘make it up as you go along’, particularly when there is no clear strategy for how to achieve change. Adaptive management can be interpreted differently by individual staff within an organisation. For example, some perceive that it requires a very specific type of programme involving piloting and experimentation, and this narrower understanding may limit its wider adoption.

The United States Agency for International Development (USAID) is so far the only agency to explicitly define adaptive management, as ‘an intentional approach to making decisions and adjustments in response to new information and changes in context’ (USAID, 2018). Whether or not development organisations adopt a formal definition, recognising the difference between ensuring some element of flexibility (essential for all programmes) and when there is a need to be purposively adaptive or experimental (suitable for some) is likely to be useful.

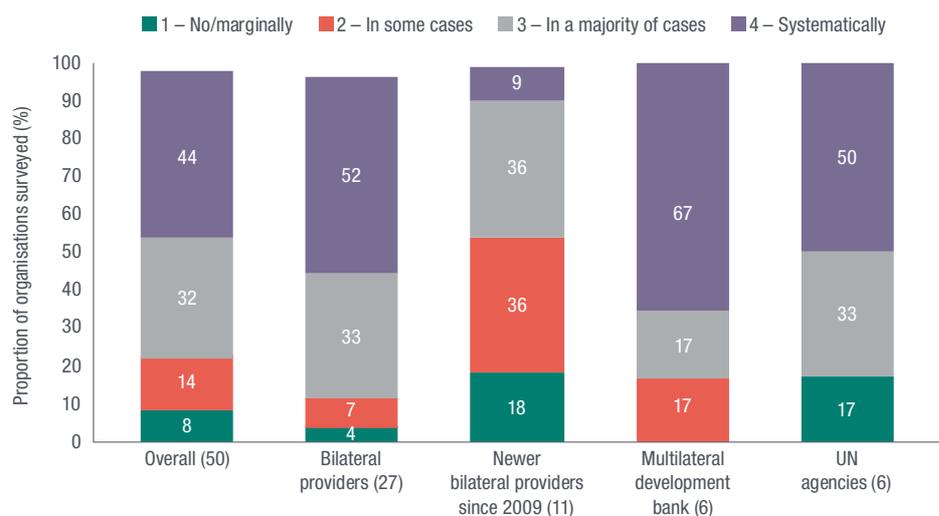
2.2 Strengthening processes and culture to enable an adaptive approach to MfSDR

2.2.1 Processes for collecting evidence and designing results frameworks to enable adaptive practice

According to the OECD-DAC survey of members, most members feel that in the majority of cases, quality context analysis informs their results frameworks and conditions for success and risk factors are identified and monitored during implementation (see Figures 1 and 2). However, some of the additional qualitative responses to the survey qualify this view, noting that there is often a difference

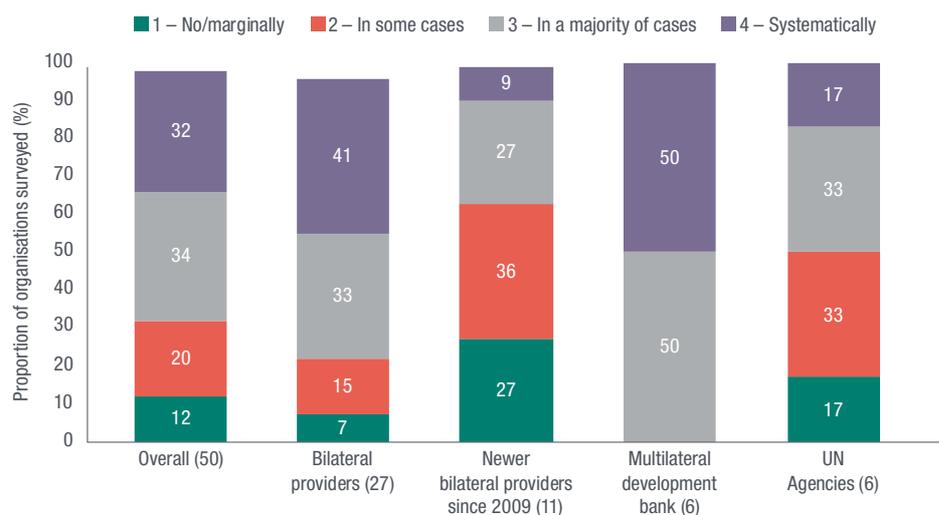
between policy and practice. For example, one member states that ‘guidance to staff encourages a contextually driven and adaptive approach to both design and implementation. However, tools, systems and staff capacity challenges limit the extent to which it happens in practice’. Others highlight that the scale at which adapting to context happens is often limited. For example, adapting to context is common during the analysis phase, but less so during implementation; or an individual project may adapt to changing context and needs, but there is less adaptation at country or portfolio levels.

Figure 1 Quality context analysis informs country- and project-level results frameworks



Note: The survey asked whether ‘Quality context analysis enabling a sound understanding of local dynamics and needs inform country- and project- level results frameworks’.

Figure 2 Success and risk factors are identified and monitored during implementation



Note: The survey asked whether ‘The conditions for success (and/or assumptions) and risk factors in achieving the intended outcomes are identified and monitored during implementation’.

In general, context analysis still tends to be conducted at the design stage but is often not repeated on an ongoing basis that can inform the regular monitoring and evaluation of results. In part, this reflects the reality that most reporting and evidence collection processes are geared towards accountability (e.g. for resources spent) rather than learning about what works in a given context and why. Moreover, processes of ongoing adaptation to context are not always seen as being sufficiently evidence based or rigorous, while results frameworks can be viewed as rigid and can struggle to evolve and respond to the realities on the ground.

There is a need to develop shared understanding of what rigorous, evidence-based approaches to adapting to context look like in practice and to identify how results frameworks might need to change to accommodate these. Key elements involve ensuring that monitoring and evaluation data collection is both useful and used, and that it can inform decision-making on an ongoing or real-time basis, rather than just after the fact. Box 1 gives one example of how some DAC members are beginning to define these types of approach.

Box 1 | Defining adaptive rigour

The UK Department for International Development (DFID; now part of the Foreign, Commonwealth and Development Office, FCDO) and USAID invested in an initiative to strengthen evidence-based approaches to adapting to context, known as Global Learning for Adaptive Management, which set out three key factors to consider for ‘adaptive rigour’: (Ramalingam et al., 2019: 4):

1. Usefulness: How to determine relevant and appropriate data sources, and the relevance and limitations of different types and sources of information? To what extent will context and monitoring data, evaluation findings and learning processes be used and useful?
2. Practicality: How can formal approaches to monitoring, evaluation and learning (MEL) be made more dynamic and attuned to context, while informal approaches are made more systematic and high quality? Given data availability and quality, staff time and capacity, what data collection, analysis and learning systems are possible and practical?
3. Timeliness: What decisions need to be made and when? How are the MEL components and sequencing expected to contribute to decision-making and increase the likelihood of intended outcomes?

In many volatile and fragile contexts there are likely to be significant evidence gaps and challenges in data collection alongside the need to act quickly. However, the principles of adaptive rigour can still be applied as they focus on ensuring rigour in terms of how decisions are taken and what evidence they are based on, and being explicit about assumptions and judgements throughout. Even if evidence emerges to suggest that a change of course is needed, or initial actions are shown not to be as effective as hoped, it is still possible to maintain trust in the process.

According to the 2019 OECD DAC Results Community survey, most members use established methodologies (e.g. logical framework, theory of change) to define the results chain at a project level. However, these tools are often used in rigid and linear ways and are rarely maintained as ‘living documents’ that react and change over time. There are, however, some examples of methods and tools being used in ways that better support both rigorous, evidence-based monitoring and evaluation and give scope to learn and adapt over time (supporting both learning and accountability) (see Box 2).

Box 2 | Examples of adaptive rigour in practice

There are a range of potential tools and methods that can be used for ‘adaptive rigour’. Some examples include:

- A number of organisations now aim to encourage more ‘adaptive theories of change’. USAID has developed guidance on ‘complexity aware theories of change’, which should acknowledge uncertainty and assumptions at the start and establish a robust monitoring framework and plan to adapt. Similarly, the UK has developed guidance for more adaptive theories of change, which measure both attainment of a core set of benchmark results and more intermediate measures of progress. This allows managers to judge if the theory of change is proving correct or whether changes are needed based on learning about the context and programme delivery.
- Some DAC members (such as Australia, UK, US) support and encourage some partners to conduct regular review or ‘strategy testing’ sessions (sometimes known as ‘sprints’). These should be structured processes, with regular review points identified in advance, where evidence and data on progress are reviewed and any necessary actions or changes (given what has been learnt about the context, operational modalities and so on) identified and then acted upon. Other methods seen as useful to support ongoing decision-making during implementation include: outcome mapping, developmental evaluation or forms of outcome harvesting or process tracing, among others.
- Australia’s Department of Foreign Affairs and Trade (DFAT) funded a working paper series (Rogers and Macfarlan 2020a; 2020b) on monitoring and evaluation for adaptive management. They describe how, in order to support adaptive management, it is important that monitoring and evaluation are organisationally connected to planning and implementation, rather than a discrete set of activities conducted by different people. The papers also describe various monitoring tools and processes that have been useful to support adaptive management, including: stakeholder mapping; developing coherent and plausible situation analyses and theories of change; and an iterative process for setting and revising monitoring and evaluation needs.
- At a more basic level, these methods or tools are underpinned by an approach to monitoring that shifts towards being more evaluative – asking ‘why’ questions alongside collecting and monitoring data. Increasingly, some development organisations and their partners are experimenting with ‘critical friends’ or learning partners, who are independent and can play a role in asking such questions and ensuring that evidence and data is being acted upon on an ongoing basis. This can also provide a useful check on the rigour of the approaches being used.

While all results approaches should pay attention to ongoing reflection and learning, principles of adapting to context should encourage intentionally building in opportunities for structured and collective reflection, ongoing and real-time learning, course correction and feeding into decision-making during implementation in order to improve overall effectiveness and, ultimately, impact (Pasanen and Barnett, 2019).

Results frameworks can be key in creating the incentives for appropriate action – they need to strike a balance between creating positive performance incentives while allowing flexibility to adapt as the context changes. A number of DAC members are experimenting with different approaches to the design and measurement of core results indicators, such as:

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- **Bedrock indicators.** A core set of benchmark indicators that remain fixed through the lifetime of the programme (e.g. at the outcome and impact level), with greater flexibility at lower levels of the results chain (outputs, activities).
 - **Open-ended/basket indicators.** A ‘basket’ or menu of indicators, of which the programme is expected to achieve some, or ‘open-ended’ indicators, for instance aiming to achieve some tangible reform in a given area but not specifying exactly what this will look like.
 - **Learning/adaptive practice indicators.** Indicators that attempt to measure processes of learning and adaptation. To date, these have tended to count learning activities (such as the number of evaluation reports through the programme, percentage of Theory of Change templates that change through the programme, whether an intervention has been stopped or restructured if it’s found to be unsuccessful). In the examples we have encountered, these indicators have not yet been able to very effectively assess the quality of a programme’s learning process.
 - **Measuring risks and assumptions.** Measurement of assumptions of the programme and level of risk associated with programme activities. For example, USAID ‘context indicators’ measure political, social and economic conditions in relation to the programme.

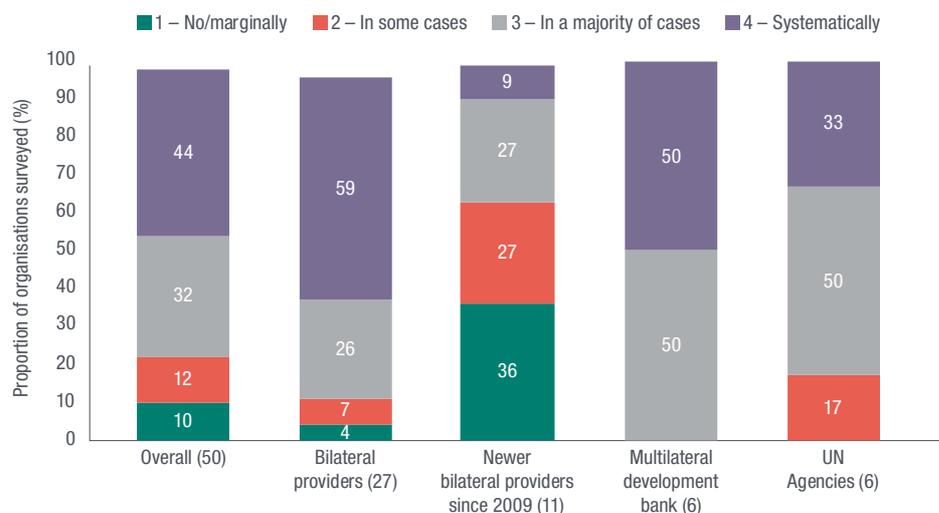
One element frequently cited by development partners is the need for more light-touch reporting and approval processes to support this principle. There are examples of short templates being used to enable more agile reporting (such as an Australian funded Coalitions for Change/Asia Foundation programme in the Philippines, which used simple templates for strategy testing – see TAF, 2015) and ways to design faster processes for approving novel and more experimental interventions.

This demonstrates that it is possible to facilitate faster approvals and adaptations while satisfying organisations’ risk management needs, although these practices are not currently widespread. Grant arrangements can be more conducive to adaptive approaches than other funding modalities, as they give greater flexibility and autonomy to partners in developing and using results frameworks. There has also been growing interest in forms of results-based or outcome-based contracting. But the evidence so far on whether they support more experimental and adaptive approaches is mixed, as in practice they often encourage pre-specification of change processes and indicators in ways which can constrain the ability for genuine learning.

2.2.2 Empowering staff to take appropriate action based on this evidence collection

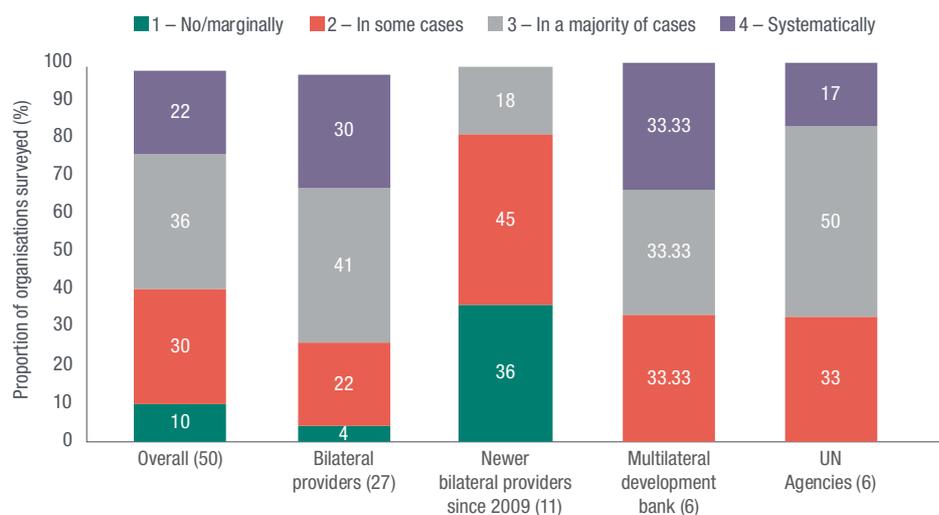
The OECD-DAC survey of members presents a relatively positive picture of the extent to which development organisations empower staff to appropriately adapt to evidence. Most members reported sufficient flexibility to tailor their approaches and processes to each specific context, and that managers at a country level are focused on long-term outcomes and empowered to adjust the path of a project to achieve this (see Figures 3 and 4).

Figure 3 Managers at country level have sufficient flexibility to tailor their approaches and processes to specific contexts (design phase)



Note: The survey asked whether 'Managers at country level have sufficient flexibility to tailor their approaches and processes to each specific context (design phase)'.

Figure 4 Managers at country level are empowered to adjust the path of a project to achieve long term outcomes (implementation phase)



Note: The survey asked whether 'Managers at country level focus on achieving long term outcomes, and are empowered to adjust the path of a project in light of changing local contexts and results information to ensure the expected outcomes are met (implementation phase)'.

However, having formal flexibility does not mean it will always be used in practice. Comments as part of the survey included: 'managers are empowered to adjust the pathway of a project but may not always take advantage of this empowerment' and 'unfortunately there is a difference between theory and practise in this case – long-term outcomes and learning are in the focus on paper – but during the implementation phase time and budget expenditure pressure lead to less flexibility and fewer adjustments'.

In practice, staff do not always feel sufficiently supported to highlight problems, failures or risks that emerge from data collection. They may fear that they will be

penalised if they do so; although this may just be a perception, with some senior management re-assured by honest discussion of problems and risks. Even if staff have the space to adapt, they may feel more comfortable in following a formal blueprint or plan, rather than acknowledging a high level of uncertainty and unknowns. Meanwhile, some organisations find it easier to emphasise learning than adaptation. USAID, for example, has a new explicit strategic learning strategy for Missions, but the imperative to adapt based on that learning is more implicit. There can also be behavioural biases: a World Bank (2014) survey identified a sunk cost bias among World Bank staff, i.e. staff are more likely to continue investing funds into a failing project, even when they have evidence of that failure. Additionally, staff may have limited time and capabilities for the ongoing interpretation of evidence and creation of processes for continuous improvement. In practice, these continuous improvement processes may simply reflect evidence-informed conversations rather than a full process of evidence review. Altogether this means that translating the formal space to adapt based on evidence into actual adaptive practice remains challenging. In recognition of this, some examples of how members are trying to further empower staff to work in these ways are set out in Box 3.

Box 3 | How DAC members support staff to take appropriate action based on evidence collection

- USAID's Collaborate, Learn, Adapt (CLA) framework demonstrates how empowering staff to work adaptively requires work both on the enabling environment (including culture, internal processes, resourcing) and on individual staff's capacities to collaborate, learn and adapt throughout a programme cycle. To try and embed CLA within the organisation, USAID made it a required part of the programme cycle and developed a range of CLA specific training and tools including:
 - A pivot log template – a tool to track significant changes made in an activity or project and the reasoning behind them.
 - A decision tree to help staff resolve challenges in programming and think through when to adapt and on what basis those decisions will be made.
 - A CLA maturity tool – which offers examples of what CLA looks like at different stages of maturity (from not yet present to fully institutionalised), and can be used by staff to assess current capacities and practices, and plan which areas need improvement and where best to target training and support.
- Australia's DFAT has recently updated its performance system to support the Partnerships for Recovery strategy and beyond, with an emphasis on adaptive management at the investment level:
 - 'Underpinning Australia's development programme is a commitment to monitoring, evaluation, research, learning and adaptation (MERLA). Regular and systematic MERLA is essential to assess the effectiveness and efficiency of our programmes, support adaptive management of investments, provide the basis of reporting to Parliament and the public and contribute to dialogue with our development partners.'
- New Zealand's international development principles include a commitment to 'fostering a culture of results using evidence-based decision making' and further states 'We will use evidence of both our successes and failures to continuously improve and will rigorously measure whether we are supporting real progress, moving beyond just delivering outputs'. It is currently scoping out how best to enhance systems and culture for adaptive practice, and is undertaking an in-depth diagnostic assessment of existing policy and practice. Enhancements could include:
 - A 'tool box' of guidance, ideas, case studies and tips to enable managers and staff to decide whether to use adaptive approaches.
 - A series of training, information sessions and speakers across the agency.
 - Development of operational policies on adaptive management, and updated templates, for example for Business Cases.
- The UK's DFID (now part of FCDO) has developed an approach to annual reviews for adaptive programmes, which aims to balance immediate project delivery with longer-term goals and encourage programme managers to respond to the evidence programmes are collecting. It assesses programmes on four performance areas:
 - Delivery (are we doing what we said we would do?): standard measures of how effectively and cost-efficiently a programme is delivering its outputs, to the right quality and in a timely way.
 - Actionable learning: the degree to which the programme is generating learning that guides future action.
 - Contribution to meaningful change: evidence of a causal pathway through which a programme's outputs are influencing targeted development outcomes.
 - Fitness for purpose (are we doing the right things?): evidence that the programme's design and delivery approach continue to be the right one to achieve the programme goals.

In practice, although adaptation may happen at formal reflection points, it perhaps occurs more regularly in informal and ad-hoc ways based on the professional judgement of staff. Creating space for both is important, while ensuring they are informed by evidence as much as is possible. The Australian DFAT Innovation for Indonesia's School Children (INOVASI) programme attempted this by not making the MEL too technical and using communications staff to work with the programme MEL staff to support the data being used and useful. The programme also aims to make MEL resources 'living documents', with the indicative theory of change updated every six months.

Beyond helping to maintain focus on long-term goals, demonstrating the impact of an adaptive approach is key to encourage organisations to adopt these ways of working. This requires telling an accurate story about the contribution to change – often adaptive approaches tackle systemic or institutional problems and so they need to capture the contribution to these higher level change processes and long-term goals, rather than focusing too narrowly on successful delivery (DFID's (now part of FCDO) 'Contribution to meaningful change' measure above is one example of this).

It is useful to note that adapting to context necessarily requires giving more autonomy to staff and partners. A study of over 14,000 development projects across nine development organisations found that giving staff more autonomy (what it termed 'navigation by judgement') overall led to more successful interventions, especially when dealing with a high level of complexity and uncertainty (Honig, 2018). But there are risks in giving staff more autonomy if they are not supported with the appropriate capacities and capabilities to work adaptively; if the appropriate results and monitoring frameworks are not developed and used; and if organisational incentives and culture do not support adaptive working (Sharp, forthcoming). It will be more risky for staff to change their ways of working and be more experimental, than to follow established corporate rules and guidance –there is a danger that adaptive approaches will be poorly managed if such capacities are not in place. USAID's 'maturity tool' is one useful initiative that allows teams and groups to measure their current capacities, identify gaps and develop strategies for how to address them.

2.2.3 Building a culture for adapting to context

While some key challenges are identified in terms of appropriate tools and resources, and staff capacities, these reflect deeper constraints in terms of resourcing, working cultures and core incentives around results.

As MfSDR Principle Four (maximise the use of results information for learning and decision-making) highlights, nearly two-thirds of providers (64%) report making little or no use of results information for steering and learning across their institution. Feedback from members of the working group for Principle Four noted that this was partly because accountability largely drives results-based management systems, which can disrupt the link between learning and decision-making. Leadership plays an important role here. As the working paper for MfSDR Principle Four (OECD DAC, forthcoming) highlights, 'Actual use of results by senior management for decision-making turns an administrative task into one where people are more motivated to collect and use the results information'.

Various elements of MfSDR Principle Five (foster a culture of research and learning) are similarly very relevant for creating an appropriate culture that supports adapting to context. The survey of OECD-DAC members asked to what extent:

- ‘Leadership promotes a culture of results and learning by providing appropriate guidance, tailored incentives and resources for managing for sustainable development results’.
- ‘There are room and mechanisms for peer learning on successes and failures’.
- ‘The organisation values careful experimentation in support of innovation as a way to foster better results’.

For all three questions DAC members reported that these practices were (on average) less common (i.e. they did not happen systematically or for the majority of cases). Even when senior leadership is supportive of adaptive ways of working, they may lack a clear understanding of what is required in terms of resourcing and appropriate governance and management processes. Adaptive language can be common in business cases without the appropriate resourcing to deliver on it, or with the MEL elements of the programme under-supported. Evidence from DFID (Sharp et al., 2019) suggests that adaptive programmes by their nature require more staff management time, and it is key to resource and treat this management time as a key input to a programme’s effectiveness, rather than something to be minimised for better value for money.

A number of development organisations have, however, seen calls for more adaptive learning approaches emphasised by Parliamentary inquiries or independent scrutiny bodies. These can help support positive incentives for leadership to act on this principle, although gaps can continue where this action is not accompanied by sufficient resourcing, capacity and capabilities, as previously noted.

Some positive examples include:

- In the UK, the Independent Commission on Aid Impact (ICAI) has conducted a number of reviews (into specific programme areas, and on general themes like ‘how DFID learns’) that have emphasised the need for more context-responsive and adaptive support, and which prompted DFID to respond including through commitments to concrete policy reforms.
- In New Zealand, a parliamentary inquiry into aid to the Pacific was led by the Foreign Affairs, Defence and Trade Committee in 2020. This recommended that the Ministry ‘step up efforts to design and deliver development initiatives that are locally owned, adaptive, responsive and evidence driven’, creating more space for supporting more adaptive practices and processes within the Ministry (NZ House of Representatives, 2020).

There are a number of ways organisations can seek to create an enabling environment for these ways of working, including through forms of peer networks, staff hiring and progression incentives (see Box 4). Interestingly, findings from the DAC survey suggest that DAC members are better able to balance the use of results information for accountability, communication, steering/decision-making and learning at the country level than at headquarters, especially when greater responsibility is given to managers at the country level.

Box 4 | Examples of building a culture for adapting to context

- Some agencies have tried to use peer networks to build more supportive cultures. For example, the USAID LEARN programme aimed to support bottom-up shifts to more adaptive working. To do this, it identified existing internal champions of this way of working, and potential champions which it categorised as either inquirers (those who are open-minded but unsure and want to learn more) and enthusiasts (those who are committed and want to learn how to put it into practice). The programme then monitored its success based on numbers of champions identified, and how many were in leadership positions. These champions were connected through virtual communities, online learning events and an email listserv with member-initiated discussions. The LEARN programme has seen much success in embedding CLA and illustrates the value of well-funded and well-staffed internal initiatives to push for and support organisational reforms towards adapting to context (see USAID, 2020).
- A number of other DAC members and observers (UK, World Bank, New Zealand) are also experimenting with internal peer networks. In general, feedback from DAC members emphasises the extent to which peer support and guidance is highly valued, but organisations can struggle to resource them, with tailored written guidance seen as an alternative where there are resource constraints.
- Multiple organisations have attempted to recruit for and build capacity in a certain set of programme management skills that support adaptive working. USAID defines ‘adaptive employees’ as ‘individuals, regardless of title, who in collaboration with relevant stakeholders, systematically acquire and use knowledge to make decisions and adjustments in their work in order to achieve greater impact’. The relevant guidance suggests that recruitment processes should assess behaviours, mindsets and competencies in facilitating learning and building; focus on results and impact; ability to navigate change; and continuously learning and improvement. The Australian/ DFAT Vanuatu Skills Partnership attempted to embed similar skills in performance reviews – using these reviews to assess staff on the quality of their communications and relationships, as part of building a ‘relationship-centre culture’.

Additionally, how leadership is manifested is key – more than just being supportive of adaptation, or creating the processes that support adaptation, they need to communicate this support regularly. Agency staff need to feel comfortable and supported in working adaptively; senior communications from development organisations are also very influential on implementers or contractors. Champions of adaptive working may have to continue to engage with leadership to ensure support does not wane over time. At a minimum, leadership needs to allow these ways of working – in USAID, champions reported ‘they did not need the Mission Director to be an explicit CLA champion; they just needed to avoid blocking or undermining their efforts’ (USAID 2020: 19), although more actively supportive leadership remains important at early stages of adoption. Experienced programme managers and evaluation staff can also play an important role in protecting space for adaptation and managing upwards within their organisations.

It is also useful to note how structures, incentives, and culture interact to support (or not) adaptive practice:

- In New Zealand, MFAT has a governance structure which has the potential to support effective adaptation. It is organised into programmes of activities (mostly geographically arranged, but sometimes thematic) and each programme has an internal ‘governance group’, which has oversight of programme management (including any adaptive management at project level) and scope to regularly review and reflect on progress across the portfolio. However there needs to be positive incentives to focus on outcomes and learning amidst the pressure to meet spending targets. At the project level, prompts are provided during the business case and activity monitoring phases to encourage staff to think about whether adaptive management might be required. Across the development organisations reviewed, adaptation is still concentrated at the activity level rather than at this higher portfolio level.
- The Italian Agency for Development Cooperation (AICS) is relatively new (established in 2016) and at an early stage of embedding adaptive management into the organisation. The Ministry of Foreign Affairs sets the strategic direction for the Agency’s objectives, but Country Offices have a high degree of autonomy to tailor this strategy into country-specific projects and programmes. However, the culture of the organisation is mainly centred around traditional programme management, so while there is adaptation in the identification of projects and tailoring these to context, there is much less space for adaptation in implementation. Recent changes to adopt a corporate results framework (linked to the SDGs) are starting to reverse this and are providing more direction from the centre over project identification while encouraging more adaptive implementation.

Most bilateral development agencies need to coordinate or are integrated with foreign ministries in some way, although the specific configurations vary from country to country. The implications of this are briefly reviewed in Box 5.

Box 5 | Integrated foreign policy and development and adapting to context

One of the most significant differences across OECD-DAC members is the degree to which foreign policy and development co-operation are integrated (New Zealand's MFAT and Australia's DFAT are examples of where these functions have been recently integrated). This is a multi-faceted and complex topic, but we can note the following points of relevance to this paper:

- Challenges exist in retaining and recruiting sufficient development expertise (with required skills and experience for adaptive working).
- Issues of aid management sometimes end up organisationally placed with issues of contract management (e.g. fraud, safeguarding). This required a reframing of adaptive management, for example as an effective way to manage risks given uncertainty.
- Diplomats may appreciate 'results' that more traditional development programmes might not – for example they see value in getting a seat at important tables, or building connections with local 'development entrepreneurs', potentially creating more space for experimental, adaptive approaches and results frameworks. Australia's DFAT has used the 'significant instances of policy and systems improvement' technique (Clear Horizon, 2020) as a light-touch approach to capturing such informal claims of policy influence.
- There can be challenges for bilateral development agencies in balancing adapting to changing contexts with adapting to their own government's national interest and strategic priorities. Working in an integrated department means working with these constantly shifting foreign policy objectives. This can be confusing for staff, but it is important to accept that these competing priorities may exist, and to acknowledge that it will be part of programme management to address them.

2.3 Finding a balance between rigour and trust when working adaptively

Implementing partners commonly perceive development organisations professing to be committed to adapting to context, but in reality, the requirements they place on partners make it difficult. For example, procurement, contracting, and due diligence procedures can all create rigidities for how partners operate in practice, leading them to feel 'micromanaged' with limited scope for open and honest learning and adaptation. Staff from multiple DAC members noted that the reporting burdens placed on implementing partners can be excessive, and staff of development organisations themselves may not always recognise where there is flexibility in the system that could be better used or feel comfortable or able to create more space for partners' autonomy. From a partner perspective, such reporting requirements can be experienced not as helping them generate useful information as to the success of a programme, but as requiring adherence to a rigid plan or potentially penalising them for learning and improving their approach.

On the other hand, sometimes development organisations have changed their conditions and requirements to be more amenable to adaptive working, but partners can struggle to internalise and really put into practice these changes. Some partner organisations may have established ways of working under more traditional project management approaches and struggle to change how they work. Others may lack the knowledge management and learning capabilities or staff skills to work in more adaptive ways.

Commercial challenges amplify the difficulties around development organisations and implementing partners having an open and honest dialogue on creating an enabling environment for adapting to context, especially where funding is reliant on achieving specified results or following a particular plan. Difficulties can be exacerbated where partners' first engagement with development organisations is through contracting teams who tend to emphasise specificity over adaptation. There have been recent attempts to strengthen funder-partner relationships to address this and create greater shared understanding and practices for adapting to context (see Box 6).

Box 6 | Examples of creating an enabling environment

- A number of organisations are now emphasising co-creation of programme approaches including results frameworks. USAID has developed an innovative co-design procurement process for experimental programmes, that brings in potential suppliers to help develop the tender itself and to support co-design throughout the programme cycle. Australia's DFAT is similarly embracing co-creation and co-design, shifting away from panel interviews of shortlisted suppliers towards co-design workshops.
- In the UK, FCDO guidance on managing implementor relationships also highlights the importance of co-creating and agreeing clear expectations. It emphasises upfront agreement on how decisions to adapt will be taken: what are the key sources of data and what counts as good enough evidence; how will they be documented; how often will implementation be reviewed; what action will be taken based on these assessments; and whose responsibility is this?
- Additionally, features can be designed into programmes to support more constructive and open dialogue with partners. For example, some UK programmes had programme-funded roles where thematic advisers (not the programme manager) were seconded to the implementing team. The intention was to share thematic expertise and bring insights back from the programme to central headquarters, but also to broker understanding and communication between DFID and implementers. In New Zealand, MFAT also reported that contracted technical advisers in countries where programmes are implemented have helped to build adaptive capacity and relationships between MFAT and implementing partners.

Another important area of communication is on risk management. The UK's FCDO guidance reports that risk management works best where development organisations and their partners are able to develop a shared understanding of risk appetite. A key element is a process to communicate to each other how these are changing – with the development organisation reporting on changes in risk appetite from their political context, and the implementer reporting on changes in the implementing context with implications for risk. In this way, adapting to context, when working well and supported by an open, honest relationship between development organisations and their partners can be framed as good risk management.

Different types of funding modalities and partnerships also create different environments for adapting to context. Grant funding arrangements with trusted partners tend to be more conducive, because they are often not too prescriptive on outputs. In New Zealand's MFAT, these arrangements are able to focus more on the outcome level and indicate types of outputs without needing to be specific upfront. These grants are then governed by a steering committee composed of management from both development organisation and implementer.

When partners are contracted to deliver a set programme, the need for contracts to be amended can substantially hinder timely adaptation. It is important that contracting models have the flexibility to make at least a certain level of operational change without requiring a contract amendment. Payment by Results models can be challenging as previously noted, where attaching payment to the wrong deliverables can hinder rather than encourage adaptation. Similarly, transferring all risk to the implementing partner will have implications for their approach and willingness to innovate. Evidence from past UK DFID programmes suggest that Payment by Results should only be used with caution for adaptive programmes, and that it works best where it is possible to specify and verify outcome milestones.

Finally, the Covid-19 crisis has dramatically changed the context for development programming. Given the unpredictable and rapidly emerging nature of the pandemic, it has underlined the importance of real-time monitoring and adaptive policy responses, and involving frontline partners from the start. In particular, it requires the collective ability to identify which interventions, or combinations of interventions, might work best and why, and how these need to change and evolve over time. It also reflects experience from disease outbreak management in general – adaptive approaches were crucial in the response to Ebola in West Africa and in the eradication of smallpox (Ramalingam et al., 2020).

It is too early to tell how the pandemic will impact the ability of development organisations and their partners to adapt to context in practice, but Box 7 provides some initial insights from DAC members on potential opportunities and challenges.

Box 7 | Covid-19 and adapting to context

- For New Zealand and others, travel restrictions mean relying more on local implementing partners, staff and expertise. This could contribute to more localisation and potentially aid programming better adapted to context. New Zealand's MFAT is also supporting the strengthening of Pacific capacity in contextually and culturally appropriate monitoring and evaluation while increasing access to Pacific statistics and evidence.
- Australia's DFAT has also responded to the pandemic through seeking to work more through local partners and systems. For example, DFAT is investing directly in partner systems in the Pacific with general budget support and support for public financial management systems strengthening.
- In theory, effective Covid-19 response will require more localised solutions and responses, with stronger engagement of local groups and communities, as some of the examples above indicate. However, it could also reinforce centralisation tendencies, especially where spending is cut given financial pressures, and more experimental or innovative approaches could be seen as riskier and therefore identified first for budget cuts or closure.

3 Summary and conclusions

This paper has set out some of the main challenges that development organisations face in meeting Principle Two and effectively adapting their programming to context, as well as some examples for how to mitigate or address these challenges.

Some of the broad challenges to adopting these practices are well known, including:

- Tight controls and a focus on reaching pre-set measurable targets can prevent staff from using their skills, knowledge and creativity to solve problems in ways that maximise aid impact (Honig, 2018).
- Development organisations can have a low tolerance for experimentation and learning, but the most successful interventions focus on finding the ‘best fit’ with country realities rather than following international best practice (Wild et al., 2015).
- Evaluation is generally seen as only relevant at the start and end of an intervention, rather than viewing evaluative thinking as a capacity and process that is embedded throughout implementation (Ramalingam et al., 2019).
- Decentralising authority for programme design and implementation, as well as internal organisational culture and career progression incentives, can also create risk aversion and decrease scope for open and honest learning and adaptation.

All of these broad challenges have translated into specific points for managing sustainable development results. For example, organisations often lack a shared understanding of what adaptive management is, particularly how adaptations should be informed by evidence or what ‘adaptive rigour’ or sufficient quality processes for this evidence collection and use might look like. Reporting processes tailored to accountability over ongoing learning can hinder this understanding; instead, results frameworks need to be built around accountability *and* learning.

A common theme for this principle across many DAC members is that the formal space for adapting to context is increasing, but that the practice is not yet keeping pace. Organisations need to meaningfully empower staff to work in this way, including examining those incentives and cultures that mean staff may be more comfortable with traditional and linear results management and measures. Where there is adaptation, it seems more common at the level of individual projects rather than larger portfolios, and there is limited experience in generating appropriate results frameworks at higher levels.

For organisational leadership, the challenge is recognising the resourcing and governing implications that more adaptive approaches imply and then finding ways to positively facilitate staff to work in these ways and to use and act upon the data and learning generated. The professed commitment to adaptation, moreover, needs to be reflected in the compliance and reporting requirements placed on implementing partners, who will ultimately be doing most of the adaptation.

This paper has also set out multiple examples of how development organisations and their partners have attempted to address and overcome these challenges. This includes the use of different monitoring and evaluation tools and methods, changes to reporting frameworks and templates, and initiatives to create positive incentives and motivate staff, leadership and partners at different levels.

These challenges are interlinked – major constraints are highlighted in terms of appropriate tools and resources to enable adaptation and the ability of staff to act on information on an ongoing basis. But, as this paper has shown, appropriate tools are available but are not always widely known; in reality, issues of capacity, resources, contracting and more create rigid processes that undermine the uptake and use of these resources. A key gap to be addressed is the need to actually link results information to decision-making and learning, something often disrupted by current accountability pressures. Showing how to bridge these gaps and creating incentives to do so will be key and will take a multi-faceted effort that cuts across many of the core MfSDR principles.

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