

Responding to change: Learning to adapt in development cooperation

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The Pelican Initiative. The Platform for Evidence-based Learning and Communications for Social Change is a community of people with a shared interest in exploring the linkages between evidence, learning, communication and social change. By sharing practical experiences, tools, methods, discussion papers and resources, the members wish to find out more about three different types of learning:

- (1) from and for policy-making;
- (2) in and across organisations; and
- (3) between and among a multitude of actors and stakeholders in society at large.

www.dgroups.org/groups/pelican

This Policy Management Brief summarises and complements electronically shared materials and seeks to foster debate on aspects of evidence-based communications and learning.

Today's world is changing at breakneck pace. Development policy is becoming part of concerted action taken in response to global challenges and is being linked with issues such as security, governance, trade, migration, investment, communication and climate change. Common global objectives for poverty alleviation are reflected by the Millennium Development Goals, the eighth of which acknowledges the need to improve the coherence of development policy. In today's globalising world, development aid is gradually losing its impact compared with other flows such as foreign direct investment and remittances. For many developing countries, though, aid remains very much a dominant source of funding. This situation is forcing development organisations and practitioners to reorient and respond, much faster and more effectively than before.

While plenty has been written about the question of how to manage small-scale change processes, very little has been written about the learning processes that development organisations need to adopt in order to effectively respond to the changing policy context.

This brief responds to these challenges by discussing some of the main issues in relation to learning and adapting by developing organisations. Following a discussion of the nature of accountability, this Policy Management Brief suggests integrating four key organisational functions in order to improve and institutionalise organisational learning and self-assessment. In this process of change, the role of managers in development organisations cannot remain a constant factor.

Learning challenges for development institutions

The global development policy context described above poses two main challenges for development institutions:

1. the need for *adaptive management*;
2. the need to accelerate and improve *organisational learning*.

The term *adaptive management* is used to underline that, more than ever before, institutional policies, programmes and activities need to be continuously adjusted to the lessons learned from past experiences. Accelerating and improving *organisational learning* is a matter of drawing more accurate conclusions, and doing so much faster than used to be the case.

Adaptive management and organisational learning are two sides of the same coin. On the one hand, an organisation can only adjust its policies, programmes and activities if there is an effective learning process involving both staff and stakeholders. On the other hand, staff and stakeholders will soon lose interest in learning if they do not notice policies being changed in line with their own experiences.

Adaptive management¹

The three main components of adaptive management are:

1. pro-active, demand-oriented performance;
2. management styles that invite rapid learning and institutional change;
3. triple accountability.

◆ *Performance that responds to new demands*

As demands change in line with increased policy complexities, organisational performance needs to respond to new challenges, new issues, new partnerships and new approaches to achieving results. However, each organisation also needs to develop its own corporate identity, its own way of solving problems and its own added value in the change processes in which it chooses to intervene.

An organisation's identity and style of intervention should be closely aligned with its human, relational, geographical and financial assets, its organisational culture and the operational principles it seeks to abide by. This requires at least a clear and shared understanding amongst management and staff with regard to its mandate and mission, as well as its performance targets.

Annual strategic planning, work planning and budgeting cycles therefore require intensive participation on the part of staff and often stakeholders as well. At the very least, they need to be fully transparent to all. Moreover, systems for monitoring work processes, outputs and outcomes need to be designed, agreed

and implemented on a regular basis. Appraising organisational performance and quality should be an internal need rather than an externally imposed requirement.

However, as the actual achievements will increasingly depend on the effectiveness not only of the organisation itself, but also of an entire network of actors, there will be a growing demand for methods of evaluating outcomes in unison with stakeholders.

Joint evaluation: the *Outcome Mapping* method

Developed by the International Development Research Centre (IDRC) and used worldwide, Outcome Mapping defines 'outcomes' as changes in the behaviour, relationships and action of determined 'boundary partners'. The preferred social change (like a future scenario), is defined collectively through a multi-actor process. In this process, each boundary partner (i.e. individuals, groups and organisations with whom a programme interacts directly to affect change) defines the change they wish to see in themselves and others. Outcome Mapping is a monitoring tool for collectively reflecting how well the boundary partners are doing in attaining these desired changes.

For more information:

The IDRC website:

www.idrc.ca/en/ev-26586-201-1-DO_TOPIC.html

Outcome Mapping learning community:

www.outcomemapping.ca

◆ *Management styles that invite rapid learning and change*

The second component of adaptive management is the need for managers to develop *management styles* that enable staff to learn quickly, and for policy and programming frameworks to embrace institutional change. They will need to guide rather than direct; to facilitate rather than instruct; to probe rather than question and to promote change rather than demand compliance.

Development organisations may best be understood as 'institutional homes' for development professionals. The organisation provides them with an institutional mandate, and the focus and support they need to operate effectively and efficiently in internal teams and *ad hoc* task groups or as part of external alliances. It is the professionals' responsibility to use the opportunities they are given to respond adequately to stakeholder needs and to achieve the objectives set for them. This will help to create and maintain an organisational *learning culture* that allows the organisation in question to keep track of continuously shifting circumstances.

Accountability for learning

One of the main conclusions that emerged during a recent on-line debate of the Pelican Initiative on the relationship between accountability and learning was that, whilst transparency is essential (i.e. you need to see what you're judging before you can judge it), it is also a right which has to be claimed, and which comes in degrees.³

Transparency enables public accountability at a relatively low cost. In evaluations, transparency can be guaranteed by ensuring that evaluation consultancy assignments explicitly spell out which documents are to be made publicly available.

Transparency evolves as trust grows and/or as the right to information is claimed. The development of transparency also depends to a large extent on the relationships between groups and people: the more like-minded people are, the more likely it is that complete transparency will be achieved at an early stage. Where relationships are unequal and learning is a goal, transparency takes more time. Dialogue can start with limited access to information and the dialogue process itself can increase trust and hence sharing - and through that can enhance learning.

The *claim-making capacity* of various stakeholders – the degree to which stakeholders can challenge each other's policies and practices – is thus central to the debate on accountability and learning. The contributors also raised the matter of the need for 'translation and adaptation'. Translating and adapting information contained in public documents and accounts is critical to the process of enabling ordinary people to participate in more direct forms of accountability. Such a process must be based on and enable social learning, which means that translation and adaptation are required in order to satisfy the diverse communication needs of different groups.

• Accountability to beneficiaries and institutional and strategic partners

The third aspect of adaptive management in development organisations is *triple accountability*, i.e. closely linked and coordinated processes of accountability involving a multitude of partners.

Development organisations help individuals, groups and/or organisations in developing countries to achieve their developmental objectives. Depending on the organisation's nature, these may be referred to as *target groups, beneficiaries, end-users, clients or customers*. In order to obtain the resources they need to provide such support, the organisations engage with the public and/or the government in their own countries and/or with inter-

national donors. These *institutional partners* generally hold strong policy views about which developmental objectives are to be served and how. Finally, development organisations form networks and strategic alliances with academic institutions, research or policy groups in developing and industrialised countries, in order to attain specific development objectives.² In the current development policy context, these *strategic partnerships* will become more and more important. *Triple accountability* means that each of the above categories of partners will eventually hold the development organisation to account for its performance.

Those involved in current debates tend to stress that issues of accountability and impact should be seen as a responsibility that is shared by all stakeholders. They advocate a radical shift away from *disconnected accountabilities* (e.g. maintaining the divide between upstream accountability to donors and downstream accountability to local actors) to a more inclusive, multi-actor *shared accountability*.

Shared Accountability? ActionAid's Action Learning and Planning System

The ALPS system was introduced in almost all ActionAid countries in 2000 and 2001, when a standardised reporting system was replaced by a system that allows ActionAid staff to take their own initiatives in order to achieve the organisation's objectives. The new system also seeks to improve the interaction with the poor and other partners; to strengthen reflection, learning and analysis so as to improve future action; and to bring the concerns and needs of the poor to the centre of decision-making.

The reform of the reporting system led to a re-examination of issues such as accountability and transparency, and also to a more intensive dialogue between staff and the intended beneficiaries. The new system gives staff considerable freedom in deciding how to generate and systematise reports and analyses, and also in communicating what they themselves regard as being important without being constrained by formatting requirements. This change has also forced the organisation to invest in its own ability to adapt or translate this learning to the many different 'languages' spoken within it.

When a complex, new approach to monitoring, evaluation and reporting is introduced in an organisation that operates worldwide, uniformity is the only completely impossible outcome. The best way of introducing such a system is by treating it as a 'soft system', as it requires local adaptation to provide the diversity and flexibility it needs in order to be effective and relevant to all its users.

For more info, please visit Action Aid international website: www.actionaid.org/main.aspx?PageId=261

Linked to these debates are the current efforts to translate the Paris Declaration's commitments to *mutual accountability* into action.⁴ While progress is being made in countries such as Tanzania and Mozambique, the initiatives there focus mainly on the developing countries' governments and international donors. The assumption is that the government properly represents the interests of different societal groups and shares information with them, but in practice this is often either not the case or contested.

Organisational learning

Organisational learning can occur at least at three different levels:

- **Individuals:** Individuals learn to do their job better, within the framework provided by the organisation's mandate, mission, policies, organisational culture, work processes, regulatory frameworks and resources. Such learning will help the organisation to perform better, as individual staff members optimise their own contributions.
- **Work processes:** thanks to the experience and insights they gain in their work, individuals may help to modify the design of the work processes and regulatory frameworks themselves. This may improve the way in which their work is organised and hence help the organisation to perform better.
- **Organisational core:** The third level is the point at which learning touches the very core of the organisation, affecting its institutional values and principles, as reflected by its organisational culture, its mission and/or long-term and short-term policies. Where this happens, the organisation actually changes as a result of the learning process.

Learning at these three levels should be complementary in focus. Linked to what was argued in the previous section, the contributors to the Pelican debate also underlined that, whilst individual organisations should be accountable for their own contributions to complex social change, these contributions should be seen as part of a complex set of interventions that influence social outcomes (and each other). Organisations should actively collaborate with others who intervene in the same system – be it through strategic collaboration or in the form of formalised partnerships. Thus, an organisation's 'shared accountability' is a specific accountability for shared outcomes.

In addition to this crucial change in perspective, Guijt et al. conclude, in the context of learning in the International Fund for Agricultural Development's rural poverty alleviation initiatives in Latin America, that there is a linked need for organisational learning to go beyond the '*comfort zone*' of a project. In practice, however, learning often does not include '(...) discussing the *undiscussables*' and is sometimes constrained by the unwillingness of managers even to accept that mistakes are being made in their programmes.⁵

◆ *Institutional change or 'unlearning' to improve performance?*

The challenge for managers of organisational learning is twofold:

1. You must know why you want your organisation to learn; and
2. You must know whether you wish to achieve institutional change or simply to improve your performance.

In fact, the increasing relevance of organisational learning simultaneously brings with it a growing need for organisations to invest in 'unlearning'. As Doug Reeler of the Community Development Resource Association (CDRA) in South-Africa puts it:

Unlearning involves a conscious individual confrontation of the past with the future, involving paradigms or beliefs that come from the fully formed past at odds with those that come from a future, still in formation. The risk, the vulnerability of not having answers, of being in-between ideas, of acting in the face of the unknown, has to be faced as unlearning takes place. In this way, unlearning prepares the ground for a deeper kind of learning.⁶

In the knowledge that interdisciplinary strategic partnerships will become essential for sustainable development in the future, unlearning also means relegating our own knowledge, ideas and categories to the second position.⁷

It is up to the management to decide whether learning may be served by 'minor organisational tweaks' or by more structural institutional changes. If the latter are required, different issues will need to be addressed – Boards, donors, public image and so on – and different mechanisms put in place.

The following are some of the important questions and management decisions involved in creating a framework for organisational learning:

- How can learning be adapted to the type of institutional change that is required?
- Who insists on organisational learning? Is the driver internal or external?
- If the driver is external, which groups of partners are involved, and how?
- How can organisational learning be linked with accountability to external partners rather than having systems for planning, activity, evaluation and reporting in isolation of key stakeholders?

• Learning for increased accountability

We wish to conclude this Policy Management Brief by claiming that learning within development organisations needs to start with the strengthening of internal self-evaluation. Fred Carden has already argued for the need to strengthen this function as follows:

*'(...) an organisation both knows more about its successes and failures than someone from outside and has a stronger stake in the long-term success of the organisation than any external agency.'*⁸

Breaking away from accountability myopia

During the Pelican Initiative's debate on accountability and learning, Alnoor Ebrahim argued that two kinds of 'myopia' have characterised the discussions about accountability: one about relationships and the other concerning purpose.

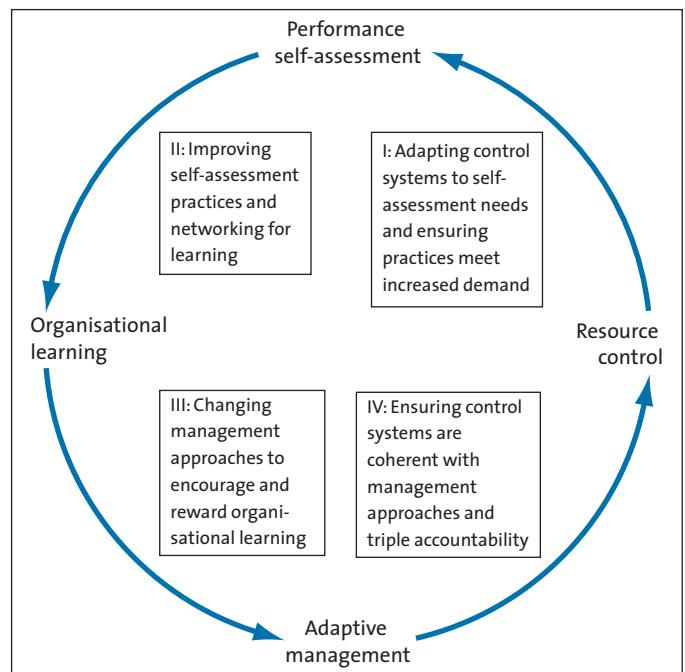
'First, your previous discussion noted the multiple accountabilities of NGOs (upwards to donors, downwards to clients and internally to themselves and their missions). Within this system, the emphasis remains largely on the accountability of NGOs to donors and regulators. This focus on upward accountability is myopic because it privileges one kind of accountability relationship over a broader system.'

*'The second kind of myopia concerns an organisation's very purpose and long-term vision. What is the reason for holding an organisation to account for its behaviour? Is it simply to enforce rule-abiding behaviour or is it linked to a wider view of public interests? Accountability mechanisms that emphasise rule-abiding operational behaviour run the risk of promoting activities that are so focused on short-term outputs and efficiency criteria that they lose sight of long-range goals in terms of social development and change. There is a real risk that this kind of narrow accountability will do more harm than good.'*⁹

Institutionalised self-assessment forms the backbone of an organisation that seeks to learn from what it is doing, and may complement external assessment. It requires the integration of four functions that have often been kept separate until now: resource control, performance self-assessment (through M&E), organisational learning, and adaptive management. These functions are summarised in the following figure:

The control of human and financial resources has traditionally been regarded as a prerequisite for transparency and accountability, particularly vis-à-vis donors. However, under an adaptive management approach and given the triple accountability requirements of development organisations, resource control gains a bearing on organisational learning. Indeed, a focus on learning

Figure 1: Organisational learning requires the integration of key functions¹⁰



does not mean that the control function can be eased; instead, triple accountability and learning require a transformation and strengthening of the organisation's *resource control* function.

How can managers and staff adequately adjust what they do and want if they are not familiar with their own resources? Transparent resource availability and use enables managers and staff to anchor their insights on a clear understanding of the behaviour of administrative and financial parameters. In this way, they may appreciate both the opportunities and limitations inherent to their resources. Linked to this, there is a need for more *self-assessment*, at the level of both individual staff and the organisation as a whole, to ensure that the organisation meets the increased demand for being accountable to different groups of stakeholders. As we have argued here, being accountable means more than just providing administrative and financial information.

Next, *organisational learning* needs to be strengthened to identify changes the organisation needs to make in order to improve its performance, and networking with external stakeholders needs to be improved. In a globalised world, there can be no place for an archipelago of inward-looking development organisations. Rather, they need to align their individual contributions with those of all the other players in the field of development cooperation, so as to achieve shared objectives.

Finally, *adaptive management* is needed to ensure *institutional learning*. The buck stops with the managers who have to foster an open learning culture and ensure that the organisation as a whole adapts by learning from past experience.

Notes

- 1 The term **adaptive management** is used here, in line with Holling, 1995, to refer to a management style based on flexible regulations, continuous probing, the observation and adaptation of policy and programming frameworks, and the encouragement of human learning and institutional change so as to respond adequately to constantly changing circumstances.
- 2 For a more in-depth discussion on networking in development cooperation, see: Keijzer, N., Ørnemark, C. and Engel, P. (2006), *Networking for learning: The human face of knowledge management?* (ECDPM Policy Management Brief no. 18), Maastricht: ECDPM. www.ecdpm.org/pmb18
- 3 The notes on this debate may be viewed at www.dgroups.org/groups/pelican
- 4 The commitments on mutual accountability can be found in paragraphs 47-50 in the declaration, which can be accessed at: www.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf (accessed March 26, 2007).
- 5 Guijt, I. et al (2006) 'Institutionalizing Learning in Rural Poverty Alleviation Initiatives', RIMISP [unpublished].
- 6 Reeler, D. (2001), 'Unlearning – facing up to the real challenge of learning', Community Resource Development Association (CDRA): www.cdra.org.za (accessed 24-01-06)
- 7 Chambers, R. (2004), 'Notes for Participants in PRA-PLA Familiarisation Workshops in 2004', Institute of Development Studies (IDS): www.ids.ac.uk/ids/particip/research/prapranotes04.pdf (accessed 24-01-06)
- 8 Carden, F. (1999), 'Who Pays the Piper: Challenges in a Learning Based Approach to Institutional Assessment', The International Development Research Centre (IDRC): http://web.idrc.ca/en/ev-29080-201-1-DO_TOPIC.html (accessed 24-01-06)
- 9 These points were made by Alnoor Ebrahim, Visiting Associate Professor of Public Policy at the Hauser Center for Nonprofit Organizations, during the Pelican Initiative's debate on accountability and learning. Please visit the website at www.dgroups.org/groups/pelican to consult the archives of this discussion.
- 10 For a description of this diagram from the perspective of evidence-based learning, please see: Engel, P., Carlsson, C. and A. van Zee. (2003) 'Making evaluation results count: Internalising evidence by learning' (ECDPM Policy Management Brief no. 16). Maastricht: ECDPM. www.ecdpm.org/pmb16

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The ECDPM acknowledges the support it receives for the Policy Management Brief from the Ministries of Foreign Affairs in Belgium, Finland, Luxembourg, the Netherlands and Sweden, Irish Aid, the Swiss Agency for Development and Cooperation, the Instituto Português de Apoio ao Desenvolvimento in Portugal, and the Department for International Development in the United Kingdom.

This Policy Management Brief was financed by the International Development Research Centre (IDRC), Ottawa, Canada.

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ISSN 1571-7526