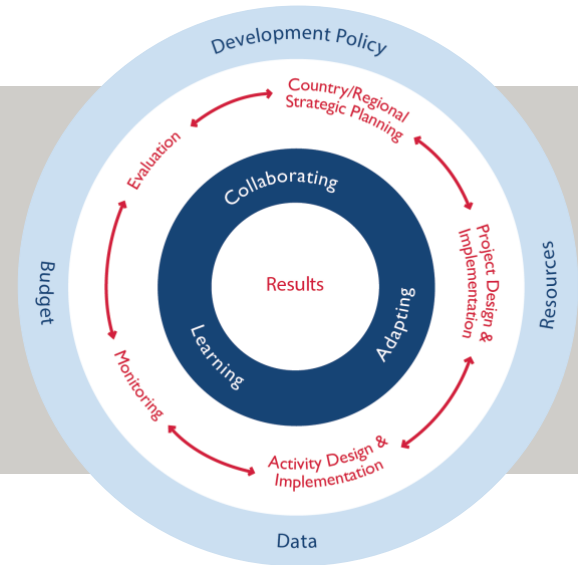


PROGRAM CYCLE

Discussion Note: Adaptive Management



This Note explores Adaptive Management, one of the four core principles of the Program Cycle. It includes promising practices and practical approaches on how to operationalize adaptive management at each phase of the Program Cycle.

Discussion Notes explore principles or methods related to the Program Cycle and are intended to prompt inquiry. This Note was developed by the Bureau for Policy, Planning and Learning (PPL).

Introduction

This Discussion Note complements [ADS 201.3.1.2](#) Program Cycle Principles by elaborating on Principle 2: Manage Adaptively through Continuous Learning. This Discussion Note is intended for USAID staff interested in learning about promising practices in adaptive management across the Program Cycle.

USAID’s work takes place in environments that are often unstable and in transition. Even in more stable contexts, circumstances evolve and may affect programming in unpredictable ways. For its programs to be effective, USAID must be able to adapt in response to changes in context and new information. The ability to adapt requires an environment that promotes intentional learning and flexible project and activity design, minimizes the obstacles to modifying programming, and creates incentives for managing adaptively.

Adaptive management is defined in [ADS 201.6](#) as “an intentional approach to making decisions and adjustments in response to new information and changes in context.” Adaptive management is not about changing goals during implementation, rather it is about changing the path being used to achieve the goals in response to changes. Like other donors and development organizations (see, for example, the following initiatives: [Doing Development Differently](#), [Problem Driven Iterative Adaptation](#), [Thinking and Working Politically](#), [LearnAdapt](#) and [The World Bank’s Global Delivery Initiative](#)), USAID is increasingly recognizing the importance of adaptability for its work to be effective. [ADS 201](#) integrates adaptive management approaches throughout the Program Cycle. “Manage adaptively through continuous learning” is one of the four core principles that serve as the foundation for Program Cycle implementation.

For the practices described, the Note includes links to resources available on ProgramNet, Learning Lab, and elsewhere. Additionally, see [this list](#) (internal staff) of curated examples, tools, and resources, which may also be helpful. This list is illustrative and is not meant to be exhaustive. It will be updated as Missions share new examples. To share an example, email learning@usaid.gov.

This Discussion Note is organized around the phases of the Program Cycle: strategy, project, and activity design and implementation; monitoring; evaluation; and collaborating, learning and adapting (CLA). While the adaptive management approaches described here are examples of initial entry points associated with a specific phase of the Program Cycle, many of these approaches may lead to adjustment in other areas. The note concludes with sections on enabling conditions and a description of the skills and attributes of adaptive managers and hiring adaptive employees.

Definition

Adaptive management is an intentional approach to making decisions and adjustments in response to new information and changes in context.

Adaptive Management in the Program Cycle

STRATEGIC PLANNING AND IMPLEMENTATION

As Missions develop and implement Regional or Country Development Cooperation Strategies (CDCSs), USAID undertakes analyses and assessments; implements projects (optional) and activities; participates in learning activities, such as CDCS Mid-Course Stocktaking exercises and portfolio reviews; engages stakeholders; and analyzes and uses monitoring and evaluation information. The knowledge and learning gained by these and other activities should be used to adaptively manage the strategy. To facilitate adaptability in strategic planning and implementation, approaches to consider include:

- **Enable Flexibility by Incorporating Scenario Planning into Strategic Planning:** Some Missions have built scenario planning into the process of designing strategies. Systematically examining a range of possible context changes enables the Agency to make adjustments to strategy implementation. The focus of scenario planning is to anticipate, track, and prepare for changes in the context that might occur during implementation. For more information, see the [Scenario Planning page](#) on ProgramNet (internal).
- **Use Learning and Reflection Opportunities:** To facilitate adaptive management during implementation of a strategy, Missions use [strategy-level portfolio reviews](#) and [CDCS Mid-Course Stocktakings](#) to assess how project and activity results are contributing to achievement of Intermediate Results and progress toward Development Objectives, and/or if the development hypotheses in the CDCS remain valid. These events are an opportunity to revalidate the overall strategic approach, check assumptions and risks, revisit scenarios, engage stakeholders, and then, if appropriate, adapt the strategy, projects (if appropriate), and activities based on new information and lessons learned.
- **Plan Learning and Adaptive Management in a Performance Management Plan (PMP):** The Monitoring, Evaluation and Learning (MEL) section of the CDCS is a preliminary explanation of the Mission's planned approach to monitoring, evaluation, and CLA during strategy implementation and informs the PMP. While a PMP is required, it is important to note the PMP is a tool that can serve several purposes, including planning and managing the process of learning and adapting the strategy from evidence. The PMP includes identification of learning priorities and a plan to address them with monitoring, evaluation, and CLA efforts that help build an evidence base for decision-making. The PMP outlines actions that enable adaptation such as: setting forth the analytic agenda for the life of the strategy; explaining the approach to analyzing and using context and performance

monitoring and evaluation findings; defining learning agenda questions; and describing how the Mission will collaborate with partners to provide up to date information that enables adaptation.

- **Documenting Adaptations to the Strategy:** If the strategy’s learning and reflection activities lead to decisions to amend or update the strategy, Missions are required to follow [ADS 201.3.2.2.1](#) requirements for amending or updating a CDCS. (Mandatory Reference [ADS 201max](#) provides additional information on strategy updates, amendments, and extensions). Triggers for adjusting a CDCS include, but are not limited to: (1) changes in the country context that prompt major shifts in programming; (2) internal changes in funding or Administration or Agency policy priorities that call for a rescoping or revision of intended results; and/or (3) recommended changes to the development hypotheses revealed through monitoring, evaluation, site visits, portfolio reviews, Mid-Course Stocktaking, and/or learning during the course of implementation.

PROJECT DESIGN AND IMPLEMENTATION

Project design is defined in [ADS 201.6](#) as “a process undertaken by a designated Project Design Team to define a project’s boundaries, a high-level theory of change, and an adaptable plan for implementation, which results in a Project Development Document (PDD)”. Projects are optional, though often beneficial. If Missions opt to implement an aspect of their CDCS through a project approach, building learning and flexibility into a project during the design process is critical. Managing projects adaptively during implementation allows Project Teams to react and adjust as necessary to ensure USAID is achieving its objectives.

Some approaches to incorporating adaptability into the design process and during project implementation include:

- **Understand Local Systems and Contexts:** Description of the development context is required in the Project Description section of a PDD. Throughout the project design process and specifically during problem analysis in the development of the PDD, it is important to understand the local system and context, and equally important to understand that this context will inevitably change. Project Design Teams should focus on understanding the root causes of the particular development problem and the role of actors and factors within the local system as well as local capabilities and available local resources in addressing the problem. It is also essential to anticipate which context and circumstances might necessitate course corrections.
- **Develop a Complexity-Aware Theory of Change that Supports Adaptability and Learning:** Based on understanding of the local system and context, the project description of a PDD describes the theory of change behind the proposed intervention. However, it is often the case that assumptions regarding the conditions, behaviors, or critical events do not hold true throughout the life of the project. To design a project that can be managed adaptively, it is recommended that Project Teams use the PDD to: (1) articulate where there is uncertainty, either because the context is changing rapidly, or because additional analysis is needed, or because there are multiple variables that could potentially impact upon outcomes; (2) define the problem in a manner that defines the higher-level outcomes that the project hopes to achieve, but also leaves lower-level outcomes undefined or illustrative to allow for iteration and adjustments during the design and implementation; and (3) establish a monitoring framework that the team can use to assess the theory of change, revisit its underlying assumptions during implementation and make

course corrections as necessary. See the [How-To Note: Developing a Project Logic Model \(and its Associated Theory of Change\)](#) for more on complexity as it relates to logic models.

- **Hold Periodic Project Reviews to Assess Projects During Implementation:** [ADS 201sam Project Design and Implementation Process](#) recommends that Project Managers organize periodic project-level reviews, which provide an important opportunity to re-validate the theory of change underlying a project and assess whether or not all of the activities under a project are adding up to achieve the Project Purpose. If the results of activities are not adding up to the expected higher-level project outcomes, or if new information was made available, or the local context has changed in a way that affects the project, teams should either adapt the project or individual activities as necessary.
- **Use the Project Development Document (PDD) to Be Intentional about Learning and Adapting During Project Management:** USAID acknowledges that the Agency does not have perfect information at the time of project design. This is why the [PDD template](#) (internal) includes a project management approach with prompts to consider: (1) additional sources of evidence that the team will need to collect during project implementation to assess performance, monitor changes (or risks) in the project context, and/or address identified learning priorities; (2) approaches to facilitate collaboration, coordination, and knowledge-sharing across the team and with implementing partners and other stakeholders; and (3) approaches to systematically adapt implementation as lessons are learned and circumstances change.
- **Documenting Adaptation:** [ADS 201.3.3.14.C](#) emphasizes the importance of learning and adapting at the project level, and provides a more customizable and streamlined approach to project design as a whole. The guidance allows Mission management to customize design processes to fit unique circumstances, including depth of initial analyses and time scheduled to complete a PDD. Furthermore, [ADS.201.3.3.16](#) now clarifies when PDDs need to be formally amended versus when an informal update would be suitable.

ACTIVITY DESIGN AND MANAGEMENT

An activity, according to [ADS 201.3.4](#) “generally refers to an implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s).” An activity should be designed to achieve clear and measurable results that contribute to development result(s) set forth in a CDCS. They should also aim to strengthen local systems so that local actors continue to sustain key results after the activity ends. Because local systems are constantly changing, it is critical to build learning and adaptability into the design and implementation of activities in order for USAID programming to be successful.

Activities should be designed with sufficient flexibility so that the path to implementation can be adjusted in response to emerging opportunities and knowledge. Regardless of which path or paths are ultimately used, USAID is accountable for achieving the stated objectives.

Perhaps most importantly is the need for mutual trust between USAID and its implementing partners. Maintaining an open line of communication and jointly reassessing what is not working during implementation is a critical part of learning and adapting during activity implementation.

Some key tactics to design and implement activities to facilitate adaptive management include:

- **Outcome-Based Solicitations - Identify the *what* but not the *how*:** Rather than explicitly determining specific technical approaches for implementing partners to use, activities can be designed to allow space for evolution and iteration over the course of implementation. Such designs describe the goals and desired outcomes and results. For more information, see [Steps to Performance Based Acquisition](#) from the [USAID OAA Business Manager's Toolkit](#) (internal).
- **Engage Contracting Officers/Agreement Officers (COs/AOs) early to identify a more flexible mechanism type, if appropriate:** While all mechanism types can be designed to emphasize a more adaptive management approach, there are some implementing mechanisms that are more flexible. Some examples include: hybrid contracts with an indefinite delivery, indefinite quantity (IDIQ) component embedded in the contract; single award IDIQs; phased approach/continuing application process for assistance; and incorporating scenarios into solicitations or awards. For more information, see [Shock Responsive Programming and Adaptive Mechanisms Guidance](#) (internal) and [USAID Procurement Executive's Bulletin No. 2014-01](#). It is critical to include the CO/AO and Acquisition and Assistance (A&A) staff early on in the project and activity design processes so that they understand the goals and desired outcomes. In addition to their central role in instrument selection, their input is needed to incorporate adaptive management language and requirements into the relevant sections of solicitation documents which include independent government cost estimates, evaluation criteria, instructions to offerors, and proposal submission requirements.
- **Including required indicators with targets within assistance and acquisition agreements limits flexibility.** Instead, articulate indicators and targets in the [Activity MEL Plan](#), leaving room for the technical approach to achieving results to evolve during implementation, based on lessons learned and/or changes in country context.
- **Build in “pause and reflect” opportunities with implementing partners during activity implementation:** In order to build a relationship with implementing partners based on trust and communication, it is critical to plan for and engage in regular opportunities for partners to reflect on progress. These “pause and reflect” opportunities could include partner meetings, joint workplanning sessions among partners, portfolio reviews, and after-action reviews. These opportunities may focus on challenges and successes in implementation to date; changes in the operating environment or context that could affect programming; opportunities to better collaborate, coordinate, and share knowledge among USAID staff and partners implementing related activities or to influence other actors; assure continued strategic alignment with the Mission's CDCS; and/or other relevant topics. Since these collaboration efforts often require funding, it is important to build these into the activity's budget during activity design.
- **Use routine workplanning to change course when necessary:** There is a lot of room for flexibility during activity implementation. Use the activity's annual or semi-annual workplan as a management tool to avoid multiple and lengthy contract or agreement modifications. Speak with the CO/AO about how to best use the workplan process to refine the activity's key interventions on a regular basis based on learning from implementation.

MONITORING AND EVALUATION

To manage adaptively, USAID staff need high quality, timely data from monitoring and evaluations. Without appropriate data, staff may make changes too quickly, too late, or based on inaccurate

information, resulting in interventions that are *less* rather than *more* effective. Optimizing monitoring and evaluation for learning and adaptive management is an emerging field, and this section outlines several promising practices from recent USAID cases.

Monitoring and evaluation for adaptive management expands upon the monitoring and evaluation for learning practices already used as part of [USAID's Program Cycle](#). Anticipating changes in context and planning for course corrections requires reframing or renewed focus in areas of monitoring and evaluation with which staff may be familiar. Elements of and approaches to monitoring and evaluation that facilitate adaptability include:

- **Fit for Purpose Monitoring and Evaluation:** [ADS 201](#) outlines the monitoring and evaluation requirements for USAID programming, including mandatory guidance on what must be monitored and evaluated. The policy provides significant discretion for USAID staff to determine the design of PMPs and Activity MEL Plans, like creating learning questions, evaluation questions, customizing indicators, and experimenting with different tools and approaches. A critical aspect of managing adaptively is understanding that different types of adaptations are enabled by different monitoring and evaluation approaches and tools for learning. Choosing the right monitoring and evaluation approaches for adaptive management should be based on the specific assumptions, risks, and complexity of programs and the environments they operate in. Focus on using practical approaches that are realistically suited to the time, budget, and data needs of the project or activity.

A first step for any adaptively managed PMP or Activity MEL Plan is achieving clarity of purpose in why monitoring and evaluation for learning are needed. At USAID, staff are used to thinking about the purposes of monitoring and evaluation as a means for telling if projects and activities are meeting objectives. But it can be more than that – monitoring and evaluation can tell us if the assumptions in a theory of change are holding true, if certain aspects of the implementation are contributing more to an objective than others, or if changes in context are impacting programming. Managers can also use information provided by monitoring and evaluation to identify unexpected changes to context,

Examples: Determining purpose for monitoring and evaluation for learning and adaptive management and matching with the best tool

Example 1: A governance activity is working in a country with a rapidly changing political climate. Key Purpose: Continually assess the theory of change to see if it maintains its validity. Illustrative Tool(s): [Performance Monitoring](#); [Context Monitoring](#); [Developmental Evaluation](#)

Example 2: An economic growth activity has results dependent on critical assumptions that recent USAID assessments have shown are starting to shift. Key Purpose: Monitor critical assumptions. Illustrative Tool(s): [Context Monitoring](#)

Example 3: A countering violent extremism activity is using an intervention model based on key assumptions that were impossible to verify before implementation began. Key Purpose: Test theory of change assumptions during implementation. Illustrative Tool(s): [Developmental Evaluation](#); [Most Significant Change](#)

Note: PPL does not endorse or promote a particular tool or approach over others but provides these examples and links to resources as an initial entry point for exploration.

or unintended consequences of implementation, which may inform decisions about the future path of programming. Identifying a priority purpose or use for monitoring and evaluation for adaptive management provides significant clarity to then select which of the varied monitoring and evaluation tools should be used. USAID monitoring and evaluation contacts within technical teams, the Mission Program Office, regional and technical bureaus, and the Bureau for Policy, Planning, and Learning (PPL) are valuable resources for helping to determine what tools are best suited for different learning and adaptive management needs. Using monitoring and evaluation that is fit for purpose is good practice for all projects and activities, and it is particularly important for adaptively managed ones. Additional resources include the [Systems and Complexity White Paper](#), and [Complexity Aware Monitoring Discussion Note](#).

- **Participatory Monitoring and Evaluation:** Understanding changes in the environment and how they influence the assumptions and designs that underlie USAID’s programming requires an acute understanding of local context. Monitoring and evaluation at USAID should draw from local stakeholders, including implementing partner staff and beneficiaries, for insights into the programming environment or how activities/interventions are perceived by the local population. Feedback loops that help stakeholders understand how their data and analysis inform project and activity designs and changes can lead to stronger buy-in, and in turn, higher quality data, more robust analysis, and improved adaptation.
- **Increase Use of Context Monitoring:** Managing adaptively requires a shift from focusing on how USAID programming is influencing the environment to how the environment is influencing USAID programming. While USAID staff instinctively understand that projects and activities are affected by their context, PMP and Activity MEL Plans do not often reflect this fact. Context monitoring allows USAID staff to make sense of the larger environment surrounding projects and activities. When faced with finite resources for monitoring, the challenge is determining what elements of the environment, or context, are most valuable to monitor. Traditionally, the link between project and activity design and monitoring has started and ended with identification of desired results and the use of indicators to monitor them. However, the process of defining assumptions, risks, and triggering events during development of logic models can be an initial entry point for identifying the most critical elements for context monitoring.

COLLABORATING, LEARNING, AND ADAPTING (CLA)

Collaborating, Learning and Adapting (CLA) is USAID’s approach to organizational learning and adaptive management in the Program Cycle. CLA includes strategic collaboration and continuous learning for adaptive management and the conditions that enable these processes. The CLA framework (see below) illustrates the components of CLA. The adapting component of the CLA framework includes:

- **Opportunities to pause and reflect:** Learning from monitoring and evaluation, as well as other sources of information and knowledge, requires time to reflect. As this [literature review](#) shows, “purposeful reflection on one’s accumulated experience leads to greater learning.” USAID Missions that plan for and host a variety of reflection opportunities should be better able to reflect on and distill learning, and use that information to make decisions. Reflection opportunities can take a number of forms, and [ADS 201](#) requires several, including [portfolio reviews](#) and [CDCS Mid-Course Stocktaking](#) exercises. Others are recommended, including project reviews, partner meetings, and after-action reviews. The sources for learning during these sessions may also be varied, including

monitoring data and evaluation findings, as well as research, assessments, and knowledge gained from experience.

- **Following through with changes:** Adaptive management involves using learning to make changes. This may mean working with implementing partners to change interventions, updating an activity’s work plan, increasing or discontinuing the use of certain approaches or processes, reconfiguring staffing patterns, or modifying key Program Cycle documents, among other changes. When learning and knowledge are used to inform decision-making, those decisions should be followed through with action.

ENABLING CONDITIONS

Adaptive management practices are much more likely to thrive in organizations with the right enabling conditions; conversely, staff will find it difficult to manage adaptively in an organization or team without a supportive environment. As such, considering the organization’s enabling conditions, and working to address the ‘disabling’ elements is critical for the adoption of adaptive management.

USAID’s [Collaborating, Learning and Adapting \(CLA\) framework](#) (Figure 1) defines three components of the enabling environment that support continuous learning and adaptive management: culture, processes and resources.

Figure 1 The CLA Framework



- **Organizational culture.** An organization's culture consists of norms – often unwritten and unspoken – that influence how individuals work and what they expect of themselves and their colleagues. Organizational culture is observable through staff and leaders' behavior, how people interact, and what is perceived to be encouraged and rewarded in the organization. The CLA framework identifies three elements of organizational culture:
 - Openness. In a culture that values openness, staff at all levels are able to ask difficult questions or express unpopular viewpoints, to invite alternative perspectives, and are willing to explore new or untested ideas.
 - Relationships and networks. Staff have relationships, among themselves and with outside networks, that are based on trust. They value and prioritize communicating with stakeholders in a transparent way, and they are politically smart – using their networks to stay connected and aware of important developments.
 - Continuous learning and improvement. In an organization that values continuous learning, staff are motivated to learn, both for professional growth and to contribute to organizational effectiveness. Leaders enable participation in learning opportunities and encourage a focus on continuous improvement.
- **Processes.** Without supportive systems and processes in place, it is difficult for continuous learning and adaptive management to become established in an organization. The CLA framework considers three aspects of an organization's processes – decision-making, knowledge management, and institutional memory – two of which are particularly critical for adaptive management:
 - *Decision-making.* Decision-making processes that support adaptive management are transparent; i.e., staff and stakeholders are aware of how decisions are made in an organization. Stakeholder input is solicited before decisions are made, and the results are documented and shared.
It is also critical that decision-making authority be distributed throughout the organization. In order to respond to changes in the context or during implementation, staff must have the appropriate level of authority to make decisions. [Literature](#) shows that organizations with rigid and hierarchical decision-making processes are less likely to have a learning culture that enables adaptive management.
 - *Knowledge management.* Knowledge management involves using and sharing information from a variety of sources. During planning and in implementation, staff should seek out knowledge and information from a variety of sources, including technical and experiential knowledge, to inform decisions. Knowledge that is gained from work should be shared, in a user-friendly format, to assist and influence others.
- **Resources.** Like most organizational initiatives, adaptive management needs to be supported with adequate resources in order to be sustainable. Resources that support adaptive management include budget, staff, and implementing mechanisms. As discussed in the section below, adaptive management is an approach exhibited by individuals' behaviors and attitudes. Organizations and teams can encourage and recognize their staff for working to build these behaviors and skills, and – when hiring – look to identify potential staff with the skills and attributes of adaptive managers.

Organizations also enable adaptive management by providing the budget and resources, including time, needed to undertake the processes and activities described in the strategy, project, and activity sections above.

For more information and resources on Collaborating, Learning and Adapting and enabling conditions, see the CLA Toolkit.

SKILLS AND ATTRIBUTES OF ADAPTIVE MANAGERS AND EMPLOYEES

In addition to being impacted by the organizational context, adaptive management is an approach practiced by individuals and exhibited by their behaviors and attitudes. In the [Guide to Hiring Adaptive Employees](#), adaptive employees are defined 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”.

Whether in the role of a technical office director, Project Manager, Contracting Officer/Agreement Officer, Contracting Officer’s Representative/Agreement Officer’s Representative, team lead, Program Officer, Mission Director, or any other Mission role, staff with adaptive management qualities exhibit certain skills and attributes. These include but are not limited to:

- **Curiosity.** Adaptation comes more naturally to staff who have a strong interest in learning about whether their work is achieving the results it set out to achieve, and who have an inclination toward action-oriented reflection.¹
- **Communication and listening skills.** Listening and transparent communication are critical to facilitating a culture of openness and respectful dissent.² Effective communicators not only listen with attention and respect, but also actively seek input from peers and stakeholders to develop a better understanding of the context and people involved in programming.
- **Critical thinking.** Adaptations should be based on data and evidence, not on a whim. Adaptive managers should be able to critically review, understand, and use information to make decisions and carry out actions based on those decisions.
- **Comfort with uncertainty and change.** Adaptive management requires comfort with uncertainty, flexibility to change, and the humility to admit what one does not know or when things have not worked as expected.

As USAID strengthens its focus on adaptive management, these skills and attributes should be taken into account in recruitment and management decisions for USAID and implementing partners. While these qualities come naturally to some individuals, for others, developing them may require particular attention and practice, coaching or other capacity strengthening. By valuing and investing in the development of these skills, USAID and development organizations will enable the adaptive management practices that are becoming increasingly necessary.

END NOTES

¹[“Adaptive Management: What It Means for CSOs”](#). Bond, 2016.

²[“Navigating complexity: adaptive management and organizational learning in a development project in Northern Uganda.”](#) Allana and Sparkman. Knowledge Management for Development Journal 10(3). 2014.