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CASE COMPETITION

Collaborating, learning, and adapting (CLA) have long been a part of USAID’s work. USAID staff and implementing partners have always sought ways to better understand the development process and USAID’s contribution to it, to collaborate in order to speed and deepen results, to share the successes and lessons of USAID’s initiatives, and to institute improvements to programs and operations. Through this case competition, USAID and its LEARN mechanism seek to capture and share the stories of those efforts. To learn more about the CLA Case Competition, visit at the USAID Learning Lab at usaidlearninglab.org/cla-case-competition.

PRIME Time for Mercy Corps Ethiopia’s Concept Note and Reporting System

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What is the general context in which the story takes place?

Pastoralism represents about 40 percent of Ethiopia’s agricultural gross domestic product, and as of 2010, about 15 percent of the population was engaged in this activity.¹ Pastoralists in the country’s drylands experience persistent economic vulnerability due to changes in rainfall patterns, population growth, and mismanagement of natural resources. These factors, in turn, can lead to conflict, and have generated a slow but steady transition out of “pure” pastoralism for many poor households. Rule of law and government services are weak, infrastructure networks are nascent, and business are highly informal and lack access to finance.

In this context, in 2012 USAID signed a five-year cooperative agreement with Mercy Corps for implementation of the Pastoralist Areas Resilience Improvement through Market Expansion (PRIME). The project goal is to increase household incomes through market expansion and enhanced resilience to climate change for 250,000 households in pastoral communities. USAID’s design called for a consortium structure with multiple organizations working in collaboration. PRIME was defined by four distinct but integrated technical areas: livestock productivity and marketing, natural resource management, livelihoods for people transitioning out of pastoralism, and learning and knowledge management. Nutrition was added during the first year of implementation as a fifth technical area.



www.usaid.gov/sites/default/files/documents/1866/Resilience%20in%20Action.pdf

What was the main challenge/opportunity you were addressing with this CLA approach or activity?

With five technical components, the consortium of 10 local and international partners and 9 offices across 3 target regions (Somali, Afar, and Oromiya), Mercy Corps faced a considerable management challenge. In addition to integrating its structures and processes, the project’s approach was new to many of the partners: rather than

¹ <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/4309.pdf>



providing direct assistance to beneficiaries, PRIME would focus on strengthening market systems through facilitation techniques such as coaching, linking, and co-financing from private sector partners.

With this in mind, the PRIME team faced two day-to-day adaptive management challenges: the struggle to be responsive to changes in its complex context and the challenge of effectively operating under a large and diverse organizational structure.

A complex context: PRIME’s operating environment has continued to be rapidly changing, highly informal, and fragile. Livelihood dynamics for pastoralists are changing quickly; as vulnerable households seek new sources of income, they face a weak business environment with poor information networks and shifting climate patterns. Thus, more and more pastoralist households are being forced to transition out of pastoralism. PRIME was designed to be responsive to these changes in the market and its operating environment. To support the need for adaptation and changes to activities, the program has a flexible budget and high-level work plan structure, within which sub-activities can be added or changed at any time. However, to respond effectively to market systems and rapidly changing contexts, PRIME required a robust management system for iterative reporting and program design.

A large and diverse organizational structure: While PRIME’s organizational structure and programmatic diversity provide a strong backbone for implementing such a complex project, they also contribute to considerable management challenges. The program needs to continually share information, support innovation, and learn from monitoring across partners, geographies, and levels of management. During a series of design assessments carried out with partners in the first year of implementation, PRIME’s technical leads became increasingly conscious of field staff’s valuable knowledge base — and a lack of communication among teams. For example, partners had implemented valuable natural resource management work for years in Oromiya, and although there was potential to apply their strategies in other geographies, this had not yet occurred. Thus, the team recognized the need for a management system capable of breaking down PRIME’s geographic and technical silos. They also hoped to cohesively learn from the program’s diverse, ongoing activities, while capturing new ideas from field staff and ensuring the technical quality of the interventions. Finally, such a system would need to be agile and user-friendly in order to garner support from staff.

Describe the CLA approach or activity employed.

The principle: To operationalize the adaptive management needed for this complex project, PRIME leadership decided to develop the Concept Note and Reporting System. Through this platform, all activities are initiated by writing a mini-business case (the concept note) and monitored through the submission of activity reports, which are used for output indicator reporting and reflection. In the first two years of implementation, the concept note and reporting system underwent multiple iterations and an upgrade to an online platform (Ki-projects®). The program’s guiding principles,² however, remained intact:

Technical responsiveness: Activities adapt quickly to changes in the field and in the market by enabling those closest to revise or initiate new activities.

Progressive learning: The system captures lessons learned from design through implementation, informing future activities across technical areas.

Innovation and integration: PRIME staff are empowered to be proactive and creative in their technical design as they initiate concept notes.

Inclusive programming: Field and management staff are empowered to design activities and are held accountable for their implementation.

Quality control: Repetition of bad practice is prevented via learning from previously approved or rejected concept notes as well as approval of new ones by seasoned technical experts, also ensuring institutional memory.

Budgetary flexibility: Within the fixed strategic outputs, funding can be moved between existing and new technical activities without donor approval.

² Boris Maguire, Carolina Mayén, Danielle Goldman, Kumar Biswas, and Samir Hamra. Integrated Adaptive Management: A Notable Concept. A Teaching Case Study of the PRIME Project in Ethiopia. December 2014.



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How it works: The concept note template requires teams to reflect on activities that have led to the current proposal, potential links with other PRIME activities, expected effects on target beneficiaries, and plans for implementation and monitoring. The concept note template is about 3 pages long and should not take longer than 60 minutes to complete.

To streamline the process and create transparency for reviews, approvals, and reporting, concept notes are uploaded to the online system, Ki-projects[®], where each note can be reviewed based on operational feasibility, approach, technical soundness and financial viability. Once the concept is approved, the team can start implementing the activity immediately.

Any PRIME team member can write a concept note, but most are initiated by local field staff around specific strategies they have designed. Team members can develop concept notes for a wide range of activities, including research, training, dialogues, linkage events, and even business expansion grants. Once implementation begins, activity reports can be uploaded to the online system for monitoring, review, and approval. Reporting timelines can be flexible to activity timing, and the report format includes sections for reflection on challenges and lessons learned, in addition to quantitative output indicators (such as outreach).

The system decentralizes responsibility to the field, capturing ideas from direct field observations and feeding them to management. It ensures that regional differences are considered during activity design, while providing a space where regions can share experiences: everyone has access to all concept notes and reports in the system.

What's next: PRIME continues to improve the online platform as changes are required. Recently the team rolled out a task list for approvers and notifications of pending approvals to ensure accountability and transparency among management. An offline version is also in the pipeline to give field teams the ability to capture their ideas in the system even when they do not have access to the Internet.

Were there any special considerations during implementation (e.g., necessary resources or enabling factors)?

The team faced several challenges in implementing the concept note system and online platform. Although refining the tools themselves was crucial to success, culture building and strong leadership were equally important in driving uptake of the system.

Implementation challenges: Placing responsibility for new ideas into the hands of local partners and field staff was a fresh concept to many PRIME staff members, and it required probing from management to create ownership at the field level. Moreover, the new system faced resistance from team members who were used to working from static work plans and without critical review from peers. The online platform also took a long time to develop. Connectivity issues (especially in the field) and approval delays remain a challenge.

Critical success factors: Strong signaling of commitment and ongoing communication from leadership were critical to the platform's adoption by staff. During rollout, program leaders remained firm in their vision and belief in the necessity of the concept note system as a tool for understanding the complexities of PRIME's operating environment, and as a means of integrating management decision-making with field learning. This clarity of purpose, and the leadership's willingness to invest the time and resources to make the platform work for PRIME's team members, were fundamental to its success.

Resources: The system required a lot of resources in terms of training staff (time) and building the online platform (money). It was a worthwhile investment given PRIME's size and complexity; however, such a system may not provide a sufficient return on investment for smaller, less complex projects.

What have been the outcomes, results, or impacts of the activity or approach to date?

The concept note system ultimately pushes team members to better collaborate and communicate with each other; anyone who creates a concept note needs buy-in from technical peers and from management. Moreover, adoption of the system has been high. At the end of PRIME's third year of implementation, 1,208 concept notes



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had been uploaded in the system. Of these, 80 percent had either been approved or were in the process of being approved, and 20 percent had been rejected based on technical standards. These results signal not only the full use of the system, but also the level of critical questioning applied to reviewing new project ideas.

Perhaps the most significant value provided by the concept note system has been the improvement of ongoing interventions. For example, PRIME's Economic and Market Development team put together a concept note for women's milk cooperatives to apply for business expansion grants. When the field teams did not receive applications, they investigated and realized the requirements for the grants were too difficult for the groups to meet. After reporting on these issues in the system, they developed a new concept note to include technical assistance and training for interested women's groups before introducing the grants.

Abdulkadir Jemal, field-level technical advisor for the Economic and Market Development team, recently stated, "At the beginning, it was strange for practitioners on the ground to frame and describe activities in the concept note as it needs time to complete and then go through a review process. However, in due course, staff realized that had the activities not been initiated, communicated and developed through the system, it would have been very difficult to manage the implementation given PRIME's complex nature and new approach."

What were the most important lessons learned?

- Some staff members were initially uncomfortable with the new model, because they would be responsible for suggesting activities rather than being told what activities to implement. Some field staff member were also uncomfortable holding supervisors "accountable" for approving concept notes when they did not provide reviews in a timely manner. "Breaking down this bottleneck required intentional socialization of field staff to empower bottom-up accountability from management's perspective. Staff buy-in slowly increased as staff at the various levels became more familiar, confident, and productive with the process."³
- It took a lot of time to develop the online platform, so a Microsoft Excel/email system was used for the first two years. Transitioning to the online version meant uploading all of the offline concept notes and having them "approved" by all the reviewers, a process that caused delays and met with some staff resistance. To help promote buy-in, users can now provide feedback through regular coordination meetings and regular engagement with learning and knowledge management staff.
- The concept note model requires high-performing, proactive, and entrepreneurial field staff and teams. Hiring and retaining the right people has proven difficult, especially in some of the more remote field offices. To solve this challenge, PRIME has taken the following steps:
 - *Training and role modeling:* Regular capacity building has been crucial. For example, the Economic and Market Development team has an annual workshop to provide a refresher for existing staff and training for new staff.
 - *Changing recruitment to use case studies:* Management uses cases built from the concept note template to better assess candidates' critical thinking skills and entrepreneurial mindsets.
 - *Exchange trips:* Encouraging with teams to visit other regions and share best practices and experiences has provided important learning and exploration of new opportunities for concept notes.

³ Maguire et al., Integrated Adaptive Management: A Notable Concept.