Designed to fail

How to design programmes to allow adaptive management

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INTRODUCTION

The development world is abuzz with discussions about how 'adaptive management' is critical to more effective aid. Proponents argue that iterative but structured processes of decision making are needed if aid interventions are to deal with the uncertainty inherent in complex and dynamic systems. This paper agrees that adaptive management is vital but contends that aspirations to apply adaptive management within aid programmes are usually doomed before they can be put into practice because of decisions made prior to or during programme design. Quite literally aid programmes are designed to fail.

Where aid fails, it has a lot to do with a lot of things. Corruption, politics, ideology, bad interventions and bad luck have all had a role to play. But there is also the significant influence of bad programme design that constrains programmes from being able to adapt and achieve the large-scale, sustainable change they aim for.

There are several factors that lead to bad programme design and several consequences of it that lead to negative programme outcomes.

Right from the outset, the parameters of a design can be set inappropriately as a result of aid allocations. The design process also plays an important role. One of the factors that dictates what the design process can be is the phenomenon of New Public Management[1]. Indeed, incomplete and inappropriate programme designs are both caused and perpetuated by the contracting mechanisms of New Public Management.

New Public Management can lead to individual and organisational incentives aligning to avoid perceived risks. The real risk of course is the risk of development programmes not realising their potential desired long-term impact, but this risk is traded off in order to reduce perceived personal and corporate risks in the short term – the covering of backs.

The resultant incomplete or inappropriate designs have ramifications throughout the programme cycle which can negatively impact on programme outcomes.

This contractual environment can also determine who and how key personnel are recruited, often another impediment to putting adaptive management into practice.

This paper looks at some key issues affecting programme design and how they impinge on the ability of programmes to manage adaptively, and provides recommendations on how things might be improved to deliver better development impact.

The paper draws on secondary data and empirical research as well as collective experience across a wide range of funders and programmes across 25 years, particularly those aiming to promote systemic change. The systemic change approach has emerged in response to dissatisfaction with the limited scale and sustainability achieved by conventional development approaches, which have sought to deliver solutions directly into the hands of the poor. Instead, the approach tries to understand and change the systems on which poor people depend. This entails influencing the performance of actors within the system. The role of development intervention is temporary and catalytic – 'facilitative'. This requires on-going analysis to understand constraints and evolving dynamics in the system, and a high degree of responsiveness to complex and changing conditions. Adaptive management is therefore essential to successful implementation of the approach.

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[1] An approach to running public service organisations that emerged during the 1980s in a quest to make public service delivery more efficient by using private sector management models.

The paper is relevant to all development fields that aim to bring about enduring systemic change to benefit large numbers of poor and disadvantaged people. It is hoped that all readers might find it interesting, but it could be useful on a practical level for funders of development programmes and those involved in their management.

The chronology of failure

The paper comprises five sections, organised in a rough chronological order.

1: Who gets what?: how aid is allocated

2: What should money be spent on?: how objectives and focus are established

3: The design and inception process: how programmes are designed and initiated

4: Budgets, targets, and contracting: how key programmes incentives are set

5: Who's going to implement the design: how key personnel are recruited

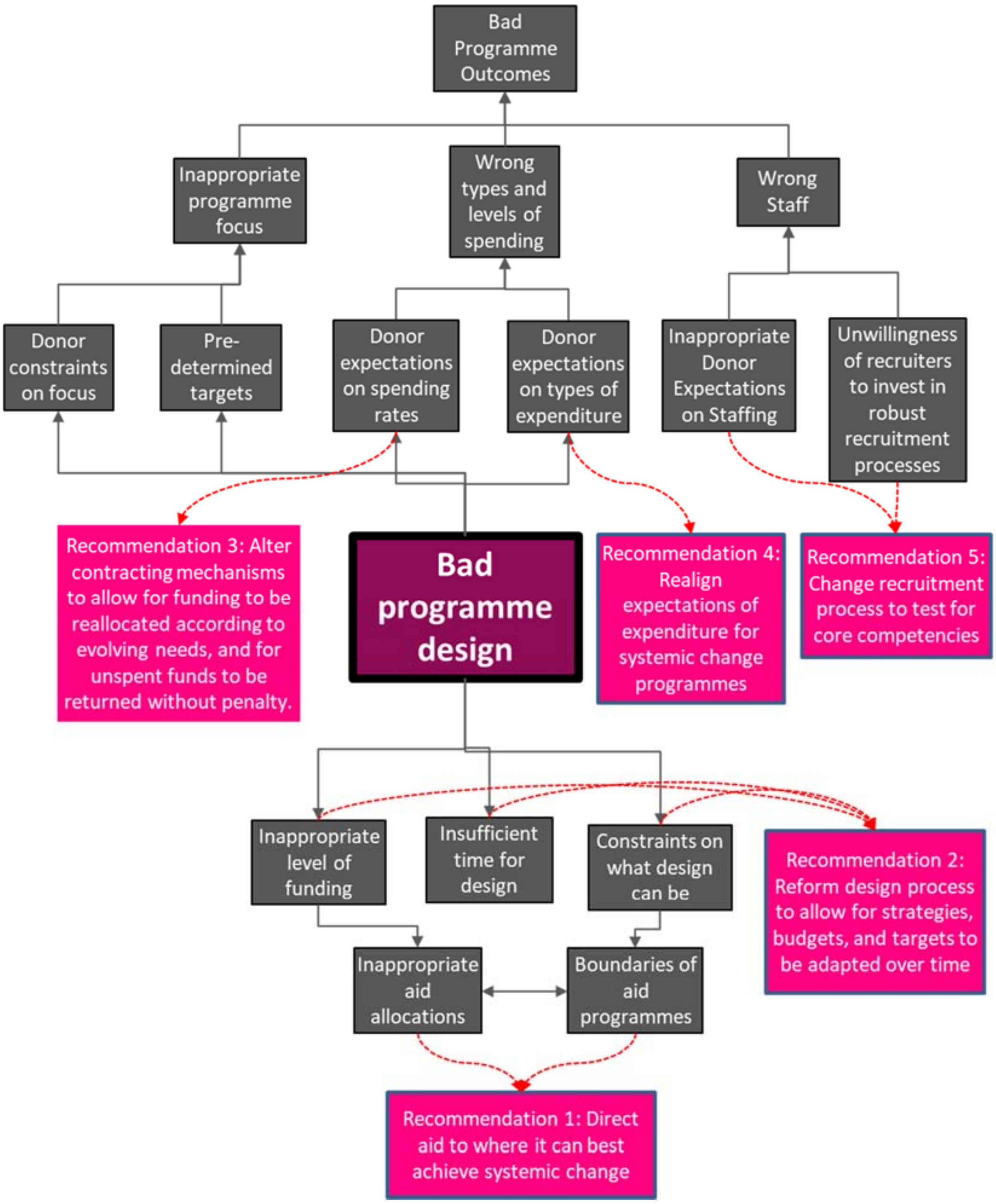

Figure 1: Designed to fail – causes and consequences

1: WHO GETS WHAT?

The direction of aid, and the definition of poverty as one determinant of it, is a definition that has been endlessly and perhaps fruitlessly debated for decades. However, this article does not attempt to address the definition of poverty itself but rather the parameters set by the implicit acceptance of a definition and programming that responds to it. That is to say, that while programmes and academics are given the space to contend how poverty is defined at the micro level, implicit definitions have already been determined in the targeting of aid which greatly constrain how programmes can address poverty[2].

1.1 Between countries: country budgets don't reflect need

An examination of DfID as one major donor, shows how country budgets don't necessarily reflect need. At the time of writing, DfID had 45 priority countries all of which ranked within the poorest 61 countries in the world both by GDP and by the real incomes of the poorest 10% of the population. The discrepancy between these two measures, however, is interesting, as is the degree of prioritisation that DfID gave to each country. DfID prioritises former British colonies and strategic countries reflecting their security concerns amongst poor nations. Three of the five countries where the poorest people have the lowest incomes are DfID Priority 2 countries, all of which were French colonies, while Tajikistan, Yemen, and Pakistan are Priority 1 countries and are ranked 49, 47 and 57 respectively, in terms of the real incomes of the poorest 10% of the population.

Distribution seems less important than overall income per capita. In Micronesia, Honduras, and Lesotho among a host of others, the poorest deciles are far poorer than is reflected by the countries' overall GNI per capita rankings. The reverse situation is rarer but still, in Ethiopia and Tajikistan for example, the poorest 10% of people are ranked higher than the country overall in terms of relative incomes. In twelve of DfID's Priority 1 countries the poorest 10% of people are better off than their overall GNI ranking would indicate, while in eight countries, the poorest 10% are worse off than the country overall in relative terms. For Priority 2 countries, there are 10 countries which have a more equitable income distribution, with the poorest 10% being relatively less poor than the GNI ranking, and in 11 countries, the position of the poorest 10% is worse than their country GNI ranking would indicate.

Why DfID sends money to the countries it does, then, is relatively transparent. However, one must really consider the objectives of international development if the absolute number living in extreme poverty and the numbers of people living on the edge of subsistence are accounted for. Aid is not proportional to absolute numbers of poor people. In 2013-14 DfID allocated GBP13m in aid to Indonesia where there were 139m earning less than USD2.5 per day. Conversely, Sierra Leone has been allocated GBP77.5m for the 5.1m people who are poor at the same poverty line – if given directly this would increase the incomes of each of these poor people in Sierra Leone by USD25 this year and DFID is just one donor among many.

This is partially attributable to a degree of funder coordination – '*Australia deals with the Pacific Islands'* etc. – but there is a wider trend in evidence that donors and the governments that finance them see poverty as being a national issue. This argument holds that once a country reaches a certain income threshold, then it becomes the responsibility of that state to provide for its own citizens. This view is by no means unique to the UK; despite overall increases in aid globally, ODA to India, a country with one billion people living on less than

[2] All data correct at time of analysis in 2015. Data was based on statistical analysis of www.aiddata.org, www.aidflows.org, and the DFID Website.

USD2.5 per day, halved from 2011 to 2012. DfID's well publicised withdrawal from India has yet to fully take effect although total ODA to India has decreased significantly since 2010. German aid to India decreased by 65% between 2011 and 2012.

Indonesia has experienced rapid economic growth with GDP per capita today quadruple what it was a decade ago. Still there are 139m people in Indonesia living on less than USD2.5 per day and ODA to Indonesia decreased from USD1.5bn in 2010 to USD62m in 2012. Countries are undoubtedly seen by the development community as the primary if not the only unit of measure for determining who gets and who doesn't.

However, if subscribing to this logic, one must examine the rationale for aid itself; where does the moral imperative lie? Aid is spent in support of marginalised and oppressed people living under non-democratic regimes, as it has been in Syria. However, once a 'democracy' increases its income in aggregate it is expected to become equitable and cater to the needs of its poor people. A total of 5% of the UK's aid budget, some GBP386m, is spent on government and civil society projects but this function, too, is removed once countries increase their aggregate income beyond a certain level. In countries like India and Indonesia, markets are working at an aggregate level, but from the perspective of the billion people living on less than USD2.5 per day, these markets are not working very well. Growth is not always equitable, but it is clear that the development community does not see it as their responsibility to advocate for a more equitable distribution of resources in countries with large numbers of poor people, let alone to support these poor people directly.

Once money has been assigned to a country by a donor, its country office has a set amount of funds. Some may have too much money to be used judiciously on the opportunities available while others may have too little. If a design process finds that the available money can't be used, it still has to be put somewhere.

1.2 Within regions: country programming doesn't reflect the systemic development challenge

Intuitively, the notion of systemic change is predicated on changing a system. But what are the geographical, sectoral or cultural boundaries that define a system? There have been a number of initiatives aimed at increasing the coordination of aid globally. However, these have had limited impact in terms of the way aid is directed globally. Crucially, the country office is the primary unit of organisation. Often, in developing countries with extensive informal sectors, ineffective states and porous borders, it is not the nation state but the region which defines a system, and aid directed at one country cannot effectively address these cross-border issues. Similarly, there is no co-ordination of country focus and so adjacent countries may be competing against each other for impact in the same sectors.

Funder agencies, as well as the majority of NGOs, operate according to national budgets. They have country offices, each with their own budget to spend on development programmes. Many of these programmes operate at this national level, including governance, growth, and security programmes. Some of these programmes focus on particular regions within a country, either because a particular industry is focused there or because there is an individual problem or set of priorities within that region.

This nationally defined structure of aid has not changed a great deal in the past half century, while the global economy within which it operates has changed beyond recognition, for example the rise of global supply chains. As early as two decades ago, changes in development dynamics, rather than the aid system which is intended to address them, led McMichael (1996) to assert that '*the development project had given way to the globalisation* *project*'. In many developing countries, cross-border flows are equally if not more influential than national transactions.

This current structure of aid is inadequate for addressing the systemic causes of poverty that exist across national boundaries. For example, in at least three of Nepal's five development regions, trading relationships with neighbouring regions in India are far stronger than those with Nepal's central region and the country's capital in Kathmandu. The major constraints that exist to the better functioning of markets in the interests of the poor on both sides of this border would require a coordinated regional approach to address. These are fully integrated markets but with asymmetric trade barriers which negatively impact on the poor. Cross-border regional initiatives would likely have far greater impact on the poor in these regions than even a targeted, country level programme in that region, as such a programme would only be addressing problems in part of the system.

1.3 Within countries: the rural mandate has reduced in relevance

Development has for many decades been focussed, by and large, on rural areas. This could be seen as an overcorrection to what Michael Lipton's influential 1977 book described as *Urban Bias in World Development*. Robert Chamber's 1983 *Rural Development: Putting the Last First* added to this momentum to the point where now, only a fraction of aid is focussed on urban areas. The last half century has seen urbanisation increase hugely for a wide range of reasons. These include, the global economy having grown and the number of non-agricultural opportunities having increased, previously rural areas having themselves urbanised as populations have grown and infrastructure has improved, and agriculture having become more intensive meaning fewer people are needed to work agricultural land. Rural development is, in part, intended to create rural livelihood opportunities so as to stop the problems associated with increasing urban populations by keeping people in rural areas. This is consistent with a romanticised view that *small is beautiful* whereby the best way to alleviate poverty is to ensure that those living in rural areas can continue to do so while meeting their basic needs.

The majority of developing countries, particularly those with democratic political systems, are governed by what the West would consider to be left-leaning political leaders and parties. Land reform has been undertaken in a large number of countries meaning that, as a broad generalisation, people own or at least have access to some land. Those people then, except in unusual circumstances, have some ability to provide for themselves. Development programmes working in rural areas see their role as maximising the livelihood opportunities achievable from that landholding and ensuring that these opportunities are more resilient to unusual events which may threaten these livelihoods.

Logically, those who don't have land must seek opportunities to work for someone else. Labour opportunities are limited in the low-income communities in rural areas and so, logically, they move to urban areas in search of work. Whether or not this decision is economically wise or simply *bright lights syndrome* in action, urbanisation continues to increase at a staggering rate. This throws into question the logic of development programme's focus on rural areas. Development seems to be operating in ignorance of the reality of poverty and migration, wishing it wasn't happening rather than addressing it as it does.

On a basic needs understanding of poverty, there are key differences between poor people in urban and rural areas. While rural areas tend to have reduced access to services, poor people in urban areas often lack the access to basic productive assets barring their labour.

Urban poor often live in poor conditions with infrastructural challenges that makes their situation more precarious than that of people in rural areas.

In sum, the first constraint to effective programme design, chronologically, is the inappropriate allocation of resources. Basing resource allocation on need and opportunity would mean a focus on the most acute development problems, a rebalancing of the urban-rural distribution, and a more realistic ability to programme against how systems actually work, be it regionally, nationally, or cross-border.

2: WHAT SHOULD THE MONEY BE SPENT ON?

The process of designing a programme has to work within boundaries, which can often be incompatible with achieving the programme's desired impact. Sometimes, these parameters are determined prior to any analysis being conducted. Poverty reduction programmes might be simultaneously charged with climate sensitivity, or addressing the gender imbalance, working in specified government priority sectors, or particular geographical areas. While all of these might be desirable considerations it may not be possible to satisfy all of them together and still achieve impact. There may be significant trade-offs in overall impact by pursuing certain considerations over others.

2.1 Objectives

The objectives of a programme should be the starting point for design. There can be more than one, but they must be organised with conditional criteria. Would you do *x* if it achieved *y* but not *z*. Unfortunately, this logical determination of priorities is seldom followed and, instead, what emerges is a laundry list of things the programme should achieve.

In some cases, a programme may be designed with competing objectives. Common combinations are environmental, governance, security and poverty reduction targets. These goals are not mutually exclusive but nor are they necessarily complimentary. Failure to prioritise between these targets can result in a reduction in overall impact.

Prioritisation can be tokenistic too. '*Create 10,000 jobs, 10% of which should be green*'. Does that mean 10% of the jobs should be classified as environmentally progressive or that 10% of every job should be? What if the rest of the jobs are for coal miners? Does this still make it a green growth programme?

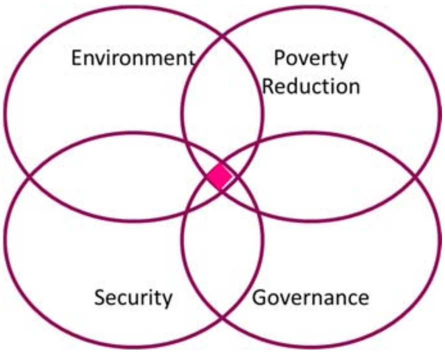

Figure 2: How impact is limited by competing objectives

2.2 Target groups

The next logical step in the design process is deciding for whom you want these objectives to be achieved.

This can be as broad as people living below a given poverty line but it will often include more specific criteria. For example, having selected an income generation objective, a funder might state that the objective should be achieved for landless women or young migrants. Two issues arise as a result of this.

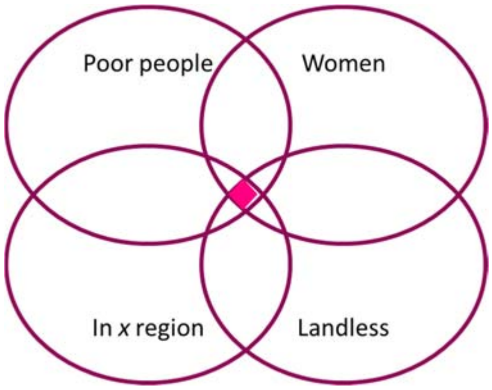

Figure 3: How impact is limited by over specifying target groups

Firstly, the potential overall impact of the programme is reduced with each additional criterion. While a certain number of poor women might exist, focusing on only one region will reduce that number significantly, and specifying health status or poverty status more specifically (e.g. ultra-poor) will reduce it still further. Impact potential is further reduced by the mechanics of impacting a given group. Landless, HIVafflicted women, in a given region of a country may exhibit very different behavioural patterns from one another: using different shops for their input supplies; engaging in very different work patterns etc. This fragmentation makes achieving systemic impact challenging.

Secondly, in some cases, the piecemeal construction of a target group means that it simply does not exist so as to make the programme practicable. Often the specification of target group is influenced by political or organisational priorities, rather than what is necessary or what is possible. In the eastern Terrai of Nepal, programmes that have been mandated to target large numbers of 'ultra-poor' women have run into problems because there are simply not significant numbers of that target group in this productive region of the country.

2.3 Sectors

Finally, programmes often end up working in sectors unlikely to deliver substantial, sustainable pro-poor change. Much of the reason for this is associated with the contract and payment structure that programmes are held too. Programmes are often given sectors of the economy in which they must work prior to beginning a programme. If it proves that these are not the sectors likely to deliver impact, programmes do not have the flexibility to shift focus.

A programme might begin with one or more specified sectors but ones where there is no opportunity for meeting the objectives for the defined target group. Sectors are selected because of government priorities, funder priorities, generalised evidence on potential, the development zeitgeist, and, just occasionally, some context-specific research on the opportunity that the sector affords.

Once chosen, a programme may be wedded to these sectors for contractual or bureaucratic reasons, or it may refuse to believe that it can't do anything to affect valid change within a sector. In reality, a sector might already be growing in an inclusive way, or funder involvement is more likely to disrupt than accelerate. Or it may be at pareto efficiency. In such cases the interests of the poor may be better served by providing opportunities for alternative sources of income.

2.4 Giving designers a fair chance

The design process is therefore hamstrung before it has begun by a predetermined focus on unachievable objectives and criteria. This is then compounded by translating the problematic focus into targets determined at the design phase – which are also unrealistic. In some cases payment is attached to these targets. Hence, the problematic focus becomes locked in by rigid procurement and contracting mechanisms, creating perverse incentives for programme managers, providing limited scope for change.

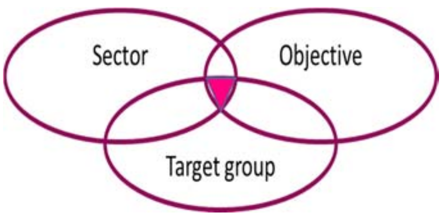

Figure 4: Intersection of limitations to impact

Funders should aim to achieve the diversity of their development objectives through a portfolio of focused initiatives, each tasked with achieving a narrower, manageable sub-set of objectives, rather than expecting all programmes to meet all criteria. A portfolio approach allows focus and flexibility, reduces the chance of any single initiative failing, whilst the aggregate performance of the portfolio can deliver on a range of objectives.

It is also necessary to create mechanisms for dialogue between funders and implementers charged with delivering incompatible objectives to negotiate more realistic prioritisation and target setting. And both parties should have the courage to confront these tensions.

3: THE DESIGN AND INCEPTION PROCESS

The design process provides a number of challenges to effective programme design and, ultimately, positive programme outcomes.

3.1 Pre-determined parameters

Drawing from the previous section, a design process can start with a number of parameters pre-defined:

- An approximate budget drawn from a country budget.
- A timeframe.
- One or more development objectives.
- A sector or sectors on which to focus.
- A target group.
- A geography for impact.

For those that are defined, the process for definition is usually not empirical but subjective, based on country or organisation strategy or political priorities. On occasion then, the logic of programme design can be undermined before anyone has really engaged in an assessment of merit or feasibility, but the conclusions made have ramifications for the entire life of the programme.

For example, prior to deciding what a project should look like, a funder might set the parameters that they want:

- A GBP20m programme – that's the amount left in the country envelope that needs to be committed this year.
- A time frame of three years – that's the next political cycle and it's difficult to commit funds beyond that.
- A focus on formal job creation – a paper released by HQ recently declared this to be a strategic priority for the funder.
- A focus on agricultural export commodities – as the funder has an interest in increasing trade with the country.
- A focus on young women – as that's a personal policy position of the state minister.
- A focus on the mountainous region of the country – as that has been shown to be a source of internal political tension.

The fact that these parameters might not be not practically compatible could be irrelevant once they have been committed to. While that's an extreme case, some proportion of these dynamics are present in many cases.

3.2 Time to design

Once a budget has been approved and the broad scope of a programme has been agreed by a funder, it is often keen to start the ball rolling as the earmarked money now needs to be spent. The timeframe given for the initial stages of programme scoping and design are often very short, usually one to two months. During this time, analysis is wide-ranging but shallow and aims to narrow the scope of the programme, but analysis is still rough and ready.

3.3 The designers

Funders will often seek external input into a programme design at this stage. Funders have fewer staff managing larger budgets, often on short-rotations, who simply don't have sufficient time to devote to thorough programme design. The short-term consultants brought in to conduct such assignments do not have the incentive to challenge the rationale for the programme but rather to make it work. After all, the commissioners of the programme are those that hold the key to subsequent assignments and income streams.

3.4 Inception

After the initial scoping and design period, terms of reference are prepared and a contract awarded, with an inception phase of typically six to twelve months.

During this inception phase a vast number of operational and staffing considerations need to be deal with, taking up a great deal of management time. Unfamiliar team members are learning to work together, more thorough analysis is conducted to get to grips with sectoral realities, and interventions are formulated. By the end of this inception phase the programme is structured. Sectors are determined and targets, impact projections and budgets are set. The course of the programme is charted for the next several years.

3.5 Over-designed and under-implemented?

Unfortunately, in development we don't deal in certainty. It is not simply a question of doing all your analysis at the start, developing a plan and then delivering widgets in a predictable manner. Initial analysis can be inaccurate or skewed by predetermined parameters. It is often outdated by the time implementation proceeds. Conditions change. Things go wrong.

Funders must recognise that designs will always be incomplete; you can never do enough analysis at the outset. Analysis and adaptation is needed throughout the life of the programme. Failures need to be identified, admitted and reflected upon continuously. Existing design processes, contracting mechanisms and incentive structures are not fit for purpose in this regard.

4: SETTING BUDGETS AND TARGETS, AND CONTRACTING

At some point in the design process, either prior to tendering or during inception, budgeting will be completed, targets will be set and the contract or grant mechanism will reflect both of these, often with a structure that links them together.

4.1 Predictability is king

Predictability is the most desired commodity in the aid (a.k.a widget delivery) business. The implementer must deliver projected results by working in contractually defined areas with slight and rare opportunities for the discounting of projections along the way. The design process also leads to the allocation of budgets for the programme. The incentives for both the funder charged with overseeing the programme and the implementer charged with delivering it are then aligned with them dispersing this entire budget.

Underspend is seen as a measure of underperformance no matter how diligently that money was disbursed. Funders pressurise the rate of spending and penalise significant deviations from predicted expenditure. There is even a recognised metric by which the performance of the implementer is assessed by how quickly they can disperse the money, known as 'burn rate'. Programmes therefore use money inappropriately.

Implementers are also motivated to spend their budget owing to their business models. Their margins or their contributions to overheads relate to the size of programme budgets and expenditure. To fail to spend the entire budget would be to sacrifice these – spending less costs more, bureaucratically and commercially. These financial shenanigans are to some degree a product of the current bloating of aid budgets, particularly amongst some funders; *aidiposity*.

Another feature of the widget delivery business is that it is a high-volume, low-cost, churn-it-out model: deliver the maximum number of aid widgets with the minimum amount of overhead. Funders prescribe the amount of budget that can be spent on 'beneficiaries' or 'interventions' relative to the amount that can be utilised for overhead. In addition to controlling programme operating costs, it is seen as desirable to keep human resource costs and functions such as monitoring and evaluation to a minimum.

So, implementers monitor things like burn rate and progress against delivering easily countable log frame outputs. If things start to look a little negative then they take the easy route out – to buy impact by directing more resources at the target group, with little consideration of sustainability and systemic change. The ability and incentives to adjust focus and approach are simply not there.

4.2 Review and adapt… or stop?

The rigidity described above is not suited to the unpredictable real world. Good development programmes are analysis-led, opportunistic and experimental, but aid bureaucracy restricts this flexibility, and is particularly problematic for programmes that seek to stimulate systemic change.

Restricting spending on monitoring and evaluation – typically relegating it to no more than an accountability function that periodically generates a narrow range of data for reporting to funders – deprives programme management of the real-time information and feedback loops it needs for adaptive management.

Classifying staff as overhead, a cost to be minimised, restricts programmes from taking a facilitative approach. Systemic change is not achieved by delivering widgets directly to beneficiaries. Programmes need to engage with and influence actors in the system to change their behaviour and improve their performance, so that it is more beneficial to disadvantaged people. This ‘facilitative’ approach means that a far greater proportion of total budget needs to be used for technical assistance. Restricting this constrains a programme’s ability to do its job.

Focusing on a programme’s own expenditure – its burn rate – encourages it to ‘do’ more. Such intensive levels of activity carry the risk that the programme’s actions displace actors within the system – and are unlikely to be sustainable. Systemic change programmes endeavour to stimulate investment by actors in the system rather than doing everything themselves. For every pound or dollar it spends, a programme might aim to stimulate another three from investors within the system. Unfortunately, such a leveraged approach is often discouraged by the ‘burn rate’ metric.

A brief thought experiment: A programme has been designed, targets set, and implementation has begun. As interventions are considered and further analysis conducted, it becomes clear that the scope and nature of change projected are unlikely to materialise. What does an implementer do? Discuss it with the funder? Of course. Look for alternative ways or geographies in which change may be brought about? Ideally, if the contractual parameters of the programme allow. But what about another option: returning ‘change’?

Funders need to be flexible and sensitive to understanding that emerges during a programme, at whatever stage that learning is generated. There isn’t always a role for a funder. Funder money, in comparison to the overall investment flows in any given region, is negligible. Why would this relatively insignificant intervention have a greater impact in catalysing change than all of the entrepreneurship, effort and money that has been circulating before it? Inputs must, therefore, be well-researched and carefully targeted in order to have any significant impact. Consequently, it may well be the case that there is either nothing additional, nothing efficient, or nothing which is not disruptive of existing processes that a funder can do to impact a given situation. A funder must know, or must accept when advised by the programme, when to quit.

If this analysis presents a solid empirical basis which demonstrates that the programme cannot have the desired impact in the desired (i.e. sustainable) fashion then it should be acceptable to give back change – unused funds – to the funder. Demonstrating what the programme tried, the analysis they did to look for further interventions, and why the money that they’re returning could be better spent elsewhere.

Funders should have the courage to acknowledge that, as learning develops during the course of a programme, it may become clear that the programme design is not likely to deliver quality of life improvements to poor people. Indeed, in such circumstances, the best thing for a funder to do would be to leave well alone. For this to happen, there needs to be a change in the culture, incentive structure and contracting mechanisms of aid agencies. It needs to become acceptable for implementers to return ‘change’ at the end of the programme if, based on rigorous and clearly presented research, funds cannot be judiciously dispersed in such a way as to deliver lasting pro-poor impact.

5: WHO'S GOING TO IMPLEMENT THE DESIGN: STAFFING FOR SUCCESS

Once designed, implementers of development programmes require staff with particular skillsets in order to fully embrace adaptive management. Analysis, innovation, and people skills are key in helping to gather data, develop effective responses, and convince people to come with you as you shift course. However, here too, the race is often lost before it has even begun as staffing requirements, cultures and management practices are encoded into how programmes are commissioned.

Programmes often recruit staff with the wrong skill set, inappropriate for an experimental and analysis-based development approach. There are two main reasons why recruitment is not more effective. Firstly, funders specify requirements of age, nationality, or sectoral background, rather than competence in change management processes in the complex situations facing development interventions. Secondly, development programmes themselves do not adequately test for competence in their recruitment processes or advocate to funders for the necessity of a particular skill set.

Development programmes live and die by their staff and it's often an extended funeral procession. Who or what is to blame? Unsophisticated recruitment processes, bureaucratic inertia, lack of imagination and courage, and reluctance to invest all play their parts.

5.1 The Head Honcho

Team Leader, Chief of Party, Sultan of Swing – whatever they're called, the person at the top is the most important in any development programme, because they're ultimately responsible for the recruitment of the others and shape the culture of the programme. They need a specific skill set and a bank of knowledge on which to draw, which should include leadership, strategy, project management, change management, interpersonal and team building competencies. Recruiters, and those within funders responsible for approving their choices, will tell you that these skills are hard to find but perhaps they're looking in the wrong places.

The best evidence of being able to do a job is having done it before. Right, but has anyone really done a job before? So crucial are geographical and thematic context that having done a related job but in a different country, sector, or employing a different mode of delivery might be more likely to result in complacency than competency. Grey hair is no replacement for a solid skill set. Far more importantly, however, is that where decisions are based on previous experience, it should not be enough to have done a job, but to demonstrate that it has been done well. Development seems particularly bad at tracking performance. CVs are simply a list – the longer the better – of technical positions held without any note of achievement in those positions. *Failure* does not follow but *failures* float around the world underachieving in more and more places.

The outcome is a limited pool of 'experienced' team leaders – with no guarantee of competence – whose names are put forward for position after position. Programmes compete for members of this closed pool often elevating remuneration packages accordingly. Meanwhile a pool of talent with more relevant geographical or thematic knowledge and a stronger track record of performance languishes, unable to shape the programmes on which they work.

How do people get promoted in other industries? They display competence in a post and the necessary skills to take on their new responsibilities. Development programmes operate for discrete periods of time and appointees are given a post for the programme's duration. So it is difficult for good people to take on additional responsibility.

What's the solution? Nothing complicated; take detailed references, hold wider interviews, have career development programmes within programmes, donors, and contractors to allow the cream to rise to the top, and be willing to make a case for something a bit different, both as recruiters to funders and as funders to their bosses or host governments.

5.2 The technical team

While the boss might be the most influential individual in a development programme, it is the talent of the technical staff they employ that determines what the programme does. So where to find these drivers of change? As with a team leader, experience – in the form of a CV – is the main consideration.

Typically, two common recruitment tactics are employed by development programmes. The first is to look within the development sector – who's track record of success is, of course, renowned. 'Development' is not a skill. People need not have worked in development in order to affect change in a developing country. Of course, that's not to say that good people don't work in development, simply that they don't need to have done so.

The second tactic is to look within a sector. Again, the lengthier the experience the better. Does that make sense? If you're going to work in governance you don't necessarily employ a politician, so why, when working in an economic sector, should you employ someone with extensive knowledge of that sector? Just as with team leaders, the likely outcome of doing this is a reluctance to analyse and learn. If people working in the sector had the will and the knowledge to affect the desired change within the sector, why haven't they done it already? Conversely, how much does a development professional need to know about construction to ensure that planned construction works benefit the poor? What's needed can be learned or, if not, can be brought in on a short term advisory basis.

How do we do it better? Again, nothing revolutionary. Clearly appraise the skills you need to do a given job. Research? Analysis? Micro-economics? Logistics? Negotiation skills? Management? Whatever they are, clearly defining them and then casting a wider net for recruitment is likely to result in higher quality candidates. Designing an interview process reflective of these skills will then determine how candidates can apply these skills. Time consuming yes, but not as time consuming as repeating recruitment every few months due to underperformance or, worse, accepting poor performance and limiting development impact as a result.

It is also important to recognise that there are unlikely to be off-the-shelf staff available with all the requisite skills and knowledge to be able to perform all the necessary roles well from the outset. Funders and implementers must be willing to invest in staff and team development in the early stages of a programme, both financially and in terms of the time it takes for programmes to reach full productivity.

To get the right people involved in a programme for effective adaptive management, then, the crux of the solution then is threefold. Firstly, recruiters need to put more time and thought into the recruitment process. What skills are needed for each position, how do we find those who might have them, and how do we ensure that they do? Secondly, the politics of recruitment require courage to overcome. Evidence of a well-thought through and robust recruitment process can help in this regard, but it is also vital to make the case – to your boss, your funder, your government counterpart – who you think is right and why, rather than passively implanting more footprints on the treadmill of development failure. Thirdly, resources and time must be allocated for investment in staff development, human resource management and retention.

SUMMARY AND RECOMMENDATIONS

Funders need to accept that designs, targets, and budgets are not final. Deviation or justified failure to achieve targets should not reflect negatively on implementers but assist in the refinement of programming. Payment by results can catch some underperformance of implementers, particularly in direct delivery programmes. However, to stop implementers buying impact, longer-term, post programme impact measurement needs to be the key factor in considering results.

Contracting mechanisms need to change. In an ideal scenario, bidders would submit proposals on the cost of the delivering a contract to a funder. This is an institutional fee and need not be dressed up as a margin on spend or a management cost. The fee would be paid annually based on an appraisal of performance, with a bonus based on the longitudinal impact assessment, incentivising contractors to deliver sustainable change. This is not measurement against predefined targets but an assessment of whether the change delivered through the programme remained and grew once the programme had finished.

In the all-pervasive world of New Public Management, this may seem pie in the sky. But when market fundamentalism coupled with accountability fetishisation has led to such clearly negative results, something must be done. Every player in what has very clearly become an accountability game covers their professional and commercial behinds at the expense of good development.

Recommendation 1: Direct aid to where it can best achieve systemic change

Recommendation 2: Reform design processes to allow for strategies, budgets and targets to be adapted over time

Recommendation 3: Alter contracting mechanisms to allow for funding to be reallocated according to evolving needs, and for unspent funds to be returned without penalty

Recommendation 4: Realign expectations of expenditure patterns for systemic change programmes

Recommendation 5: Change recruitment processes to identify and test for core competencies

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