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**WORKING PAPER**

**Building a Culture of Adaptive Management: Cases from Northern Uganda**

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Abstract

Adaptive management arose from a need to program in increasingly unpredictable, dynamic and complex contexts. Supported by good program management, Adaptive management, lays the foundation for successful programs that achieve better outcomes. It encourages teams take the time to develop a work plan that links to the bigger programmatic picture and larger development goals. It promotes the use of evidence collected through robust program monitoring mechanisms that enable flexibility and programmatic adjustments. Through creating a culture that encourages experimentation and debate and by having clear team roles and responsibilities, programs can shift and pivot as needed. Adaptive management reinforces program management policies to foster a learning environment.<sup>1</sup>

This paper and presentation will discuss Mercy Corp' systems-based and capacities-focused approach to development, one that embraces learning. The Northern Karamoja Growth, Health, and Governance Program (GHG) and the Revitalizing Agriculture Incomes and New Markets (RAIN) provide examples of the application of adaptive management practices in programming and lessons for future programming. Adaptive management, which is based on systems thinking, is needed to navigate the uncertainty and unpredictability inherent in complex systems and to strengthen resilient capacities within vulnerable communities.

*Adaptive management is a programming approach that combines appropriate analysis, structured flexibility, and iterative improvements in the face of contextual and causal complexity.*

- Adapting Aid. Lessons from Six Case Studies

The paper is structured in the following way:

Introduction

Program design

Results

Discussion & Conclusions

References

Acknowledgments

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<sup>1</sup> Garland, L. Adaptive and Program Management: Coaching the Same Team. Humentum. <https://www.humentum.org/blog/adaptive-and-program-management-coaching-same-team> (accessed April 2019)



## Introduction

Adaptive management arose from a need to program in increasingly unpredictable, dynamic and complex contexts. Mercy Corps has been working in partnership with communities, local government and civil society in Northern Uganda to address the drivers of vulnerability, strengthen local capacities, and drive long-term impact towards food security, economic growth and peace. In historically volatile regions with complex socio-economic relationships, like Karamoja and Achioli, Mercy Corps takes a systems-based and capacities-focused approach to development. Mercy Corps' programming approach has embraced adaptive management practices, which have been supported by program evidence and quality program management.

These adaptive management practices are based on lessons learned from programming and research, such as the Northern Karamoja Growth, Health, and Governance Program (GHG), the Revitalizing Agriculture Incomes and New Markets (RAIN) program, as well as through the ADAPT (Analysis Driven Agile Programming Techniques) process for assessing program capacity to adaptively manage. We see the blending of adaptive management into Mercy Corps' resilience building work, including at the market systems level and in protracted crises settings. Mercy Corps is currently applying this learning to a new USAID/Food for Peace activity, the Karamoja Food and Nutrition Security Activity (Apolou), to support agriculturalists, agro-pastoralists, and pastoralist households living in four districts in Karamoja.

As a programming approach, adaptive management touches on aspects from staffing and hiring to program design, operations, monitoring and evaluation. Through thoughtful analysis of programs, such as GHG, RAIN, and others, Mercy Corps has identified several key components important for adaptive management - organizational culture, people and skills, tools and systems, and an enabling environment. These components depicted in the framework below helped to make the case for why adaptive management matters and how it supports organizational priorities. When agency leaders embraced adaptive management and explicitly set programs up for learning and evolving, they were more effective in confronting the complex challenges of vulnerable communities where these programs operated. While the first three elements are more under the control of an implementing organization, the last component, that of the role of enabling environment, underscores the implications for funders and their support to implementing partners.

### What is required to take an adaptive management approach?

Culture	Organizational culture provides the cues, expectations and incentives to prioritize learning and adaptation
People & Skills	Structuring, recruiting and equipping our teams for adaptive management requires careful leadership, planning and investment
Tools & Systems	Supported and reinforced by tools (technical and managerial), processes and systems (such as finance, HR and procurement)
Enabling environment	Requires buy-in and flexibility from the broader enabling environment, such as donors and host governments

Source: [Managing Complexity: Adaptive management at Mercy Corps](#) <sup>2</sup>

<sup>2</sup> Mercy Corps. 2015. Managing Complexity: Adaptive management at Mercy Corps <https://www.mercycorps.org/research-resources/managing-complexity-adaptive-management-mercy-corps> (accessed April 2019)

## Program design

GHG was a 5-year (2012 - 2017), USAID-funded, Development Food Assistance Program (DFAP) working in the Karamoja region that had three strategic objectives: economic growth, health systems strengthening, and improved conflict mitigation & governance. GHG worked across a diverse number of sectors and employed a variety of development methodologies (some were short-term, direct-delivery; some were highly facilitative and light-touch). GHG activities were structured around systems-change goals. The guiding principle was that if all initiatives were designed and integrated intelligently around broader systems-change goals, negative impacts, such as distorted markets, could be minimized, resulting in increased opportunities to work effectively across sectors.<sup>3</sup> The *Navigating Complexity* study took an in-depth look at GHG to understand where adaptation occurred, which tools and processes supported this adaptation and the organizational culture that existed in GHG.

Revitalizing Agriculture Incomes and New Markets (RAIN) was a 5-year (2011-2016), USDA-funded program that facilitated market systems development in the Acholi region in northern Uganda. The program pursued three core objectives: enhancing smallholder production and profitability; improving agribusiness and trade performance in input and output markets; and expanding access to agriculture financial services. RAIN's original approach focused on offering direct training to farmers but it was redesigned in the first year to incorporate a market systems approach. Rather than directly delivering goods and services to households, the program instead supported local actors to create long-run economic opportunities for low-income farmers and others. The ADAPT case study drew out lessons on how RAIN built a dynamic and engaged team, supported by leadership that encouraged open communication and debate, and reinforced by M&E systems that focused on broader learning.<sup>4</sup>

## Results

The *Navigating Complexity* study found that GHG was successful in creating a learning culture where teams regularly gathered the evidence needed to effectively monitor programs and adjust course, all essential to adaptive management. The study documented valuable lessons for what mattered to creating this culture of learning at GHG, which was echoed by evidence from other programs.

**A learning culture hinges on the behaviors and beliefs of the people on the team.** This culture transcends rules, processes, and structures. It is highly informal and takes time and effort to build.

- In GHG, staff exhibited deep curiosity, were highly engaged in the project work, admitted to failure openly, and hotly debated program strategy. For example, one GHG staff member visited credit unions in the capital city while on vacation to learn about share price rules; other staff visited livestock markets to see how they worked and check in on livestock prices.<sup>5</sup>
- RAIN's team had the entrepreneurial spirit to test new strategies and tactics, and the discipline and to reflect on them when facing challenges. As the team learned from what their program data was telling them, staff altered their approach to input vouchers and partnerships with financial service institutions. Staff also integrated gender into marketing and messaging and diversified the program's focus crops.<sup>6</sup>

**The role of leadership and the importance of consistent messaging from management.** Senior management must send regular and clear signals encouraging desired behaviors and clarifying

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<sup>3</sup> Allana, A. and T. Sparkman. 2014. *Navigating Complexity: Adaptive Management at the Northern Karamoja Growth, Health, and Governance Program*. Mercy Corps. <https://www.mercycorps.org/sites/default/files/Adaptive%20Management%20in%20the%20Growth%2C%20Health%20and%20Governance%20Program%20in%20Northern%20Karamoja%20%28Oct%202014%29.pdf> (accessed April 2019)

<sup>4</sup> Mercy Corps, IRC 2016. *Building An Adaptive Team For Market Systems Development In Acholi, Uganda*. ADAPT (Analysis Driven Agile Programming Techniques) Initiative. <https://www.mercycorps.org/sites/default/files/ADAPT%20Uganda%20case%20study.pdf> (accessed April 2019)

<sup>5</sup> Allana, Sparkman. *Navigating Complexity*.

<sup>6</sup> Mercy Corps, IRC. *Building an Adaptive Team*.

priorities. Investments in building a collaborative, inquisitive team and promoting a culture of open communication is what creates an environment where staff learn and adapt.

- GHG staff were encouraged to bring new ideas and questions up in conversation with management. The Chief of Party consistently demanded healthy debate and reinforced this message, over and over again.<sup>7</sup>
- Leadership was also at the center of many of RAIN’s successes. In RAIN, senior management maintained an “open door” policy, took efforts to build personal connections with team, in order to fight the traditional hierarchical structures that often serve as barriers to critical information and idea sharing.<sup>8</sup>

**Tools and processes support learning behavior, they do not create it.** Staff do not learn and adapt because a process forces them. It is due to clearly defined roles supported by coaching and mentorship.

- In GHG, leaders modeled behavior such admitting to failures, which helped reduce barriers for staff doing the same. Senior management also encouraged staff to read new studies, ask questions during weekly meetings and, revisit the existing program strategy and hypotheses.<sup>9</sup>
- RAIN’s shift in focus required team members to design their workflows to monitor and respond dynamically as markets developed. They adopted a set of tools and systems centered on testing, learning from, and improving interventions throughout the program’s lifecycle. Orienting monitoring and evaluation functions toward programmatic and strategic questions, rather than reporting also increased the analytical capacity of the team.<sup>10</sup>

Taking a deeper dive into GHG’s application of adaptive management practices to facilitating access to financial services, we see how the team responded when the intervention did not go as planned.

Case Study 1: Facilitating access to financial services <sup>11</sup>	
Systems change goal	Financial access is a crippling problem in Northern Karamoja, where the small number of commercial banks have branches are largely inaccessible – geographically and financially. This results in lower levels of saving, food insecurity in the lean season, higher rates of business failure, and lower levels of investment. GHG’s Financial Access Team envisioned success as state where men and women in Northern Karamoja had access a range of financial products tailored to their personal and business needs. They envisioned a wide network of sustainable financial access points, likely in the form of Savings and Credit Co-Operatives (SACCOs), backed by formal financial institutions.
What was planned	A core part of GHG’s financial services strategy hinged on strengthening regulation and oversight of existing SACCOs by the national certification body, and facilitating a mindset and capacity shift within SACCO staff and leadership towards becoming financially viable entities. This included better management practices, higher-quality service delivery to communities, and an expansion of SACCOs’ customer base. The team envisioned SACCOs ultimately receiving wholesale financing from the formal banking sector. This was a slow process of behavior change, and an even slower process for SACCOs who, after years of poor service provision, had bad reputations and had to rebuild trust with customers.

<sup>7</sup> Allana, Sparkman. Navigating Complexity.

<sup>8</sup> Mercy Corps, IRC. Building an Adaptive Team.

<sup>9</sup> Allana, Sparkman. Navigating Complexity.

<sup>10</sup> Mercy Corps, IRC. Building an Adaptive Team.

<sup>11</sup> Allana, Sparkman. Navigating Complexity.

What happened	While working with seven self-selected SACCOs in Karamoja, the GHG team encountered a number of issues: (1) a temporary government subsidy, which paid for the salaries of some SACCO staff, would be soon be coming to an end; (2) until the SACCOs expanded their customer base, their current business model did not provide enough revenue to remain operational; and (3) very low mobile banking coverage in Northern Karamoja, a service that is otherwise widespread in the rest of the country. Based on these insights, the GHG team saw an opportunity.
How the team adapted/responded	The GHG team brokered a relationship between MTN, one of the major telecommunications providers in Uganda, and interested SACCOs. MTN and several SACCOs reached an agreement whereby SACCOs would become MTN mobile money agents, earning a commission on transactions and coupling a new service with their existing offering. The GHG team anticipated the effect to be threefold: (1) the additional revenue stream would contribute to lowering the SACCOs' income gap, keeping them solvent through a period of reorganization and change; (2) a trusted and well-known brand like MTN partnering with SACCOs would help improve their image in the eyes of communities, and provide an avenue for SACCOs to rebuild that trust; and (3) in line with the team's mission to bring commercially-viable financial products closer to the low-income customers, rural households will be able to save and transact using mobile phones as MTN expands into the region.

## Discussion & Conclusions

The *Navigating Complexity* study drew out the following key takeaways from the GHG program and their implications for both implementing partners and funders, which were echoed by learning from the RAIN program and the *Beyond Cash: Making Markets Work in Crisis* study.

### **Adaptive management calls for a shift in how managers and organizational leaders behave, which should be reflected in the way they are hired and manage teams.**

- *Navigating Complexity* recommends implementing partners advocate for changes in the hiring criteria and interview process for Chief-of Parties and senior managers for complex programming. When hiring for these roles, management, emotional intelligence, and soft, staff-coaching should be valued as much, if not more than technical and donor experience.<sup>12</sup>
- Building off the systems approach of GHG and RAIN, the *Beyond Cash* study also recommends that leadership support relief and development teams to co-create work plans and develop finance, compliance, and procurement policies that support nimbleness in field teams.<sup>13</sup>

### **Unpredictable changes in the environment and activities means detailed budgets and work plans cannot be set in stone for the duration of the program duration, or even for one year.**

- *Navigating Complexity* recommends that implementing partners should design program plans and budgets in a way that allows for change. Larger (and fewer) budget lines that are defined at the outcome level (as opposed to activity level) allow for adaptation as program activities change. Practices, such as strategic reviews, should be planned and budgeted for in order to have to systematically review and make changes to the work plan.<sup>14</sup>

<sup>12</sup> Allana, Sparkman. *Navigating Complexity*.

<sup>13</sup> Hemberger, A. et al. *Beyond Cash. Making Markets Work in Crisis*. 2018. Mercy Corps.

[https://www.mercycorps.org/sites/default/files/CashMarketsMercyCorpsApril2018\\_0.pdf](https://www.mercycorps.org/sites/default/files/CashMarketsMercyCorpsApril2018_0.pdf) (accessed April 2019)

<sup>14</sup> Allana, Sparkman. *Navigating Complexity*.

- The RAIN program recommends that periodic program review meetings be open to key government and private sector partners who bring different perspectives to program implementation.<sup>15</sup>
- *Navigating Complexity* recommends funders rethink accountability measures. While extreme flexibility is risky from a fiduciary responsibility perspective, funders should strive for a middle ground. Funders must be open to the fact that programming will change during implementation and allow practitioners to do that in a timely and responsive manner.<sup>16</sup>
- The *Beyond Cash* study echoes this, calling for allocating funding early in a crisis to help plan for, and address longer-term coping and recovery needs.<sup>17</sup>

**‘Situational awareness’ and socio-political intelligence gathering is vital to informing program activities.**

- *Navigating Complexity* encourages implementing partners to allow staff the time and space to gather intelligence by ensuring their time is not entirely focused on activities, and that performance metrics are aligned to reinforce this.<sup>18</sup>
- The *Beyond Cash* study recommended that implementing partners improve the quality and frequency of their market analysis and hire staff with a range of analytical expertise.<sup>19</sup>
- *Navigating Complexity* recommends funders should redefine ‘overhead’ when trying to create complex systems change. Higher levels of staff time spent on intelligence gathering can have a drastic effect on the impact of activities.<sup>20</sup>
- The *Beyond Cash* study reinforces this learning by calling on donors to prioritize funding for context analysis and field-driven learning, as well as broader research to test and improve market-driven concepts.<sup>21</sup>

**Systems-led responses that leverage the capacities of non-aid actors in local and global economic systems are central to helping individuals cope and recover.**

- The *Beyond Cash* study calls for a market-driven response to crisis that will give crisis-affected individuals more agency to secure their own lives and livelihoods. Grounded in resilience thinking, this requires aid actors to focus on core cross-cutting issues, including strengthening financial services systems and understanding the role of social and political power in markets. At a practical level, it involves targeted market support to essential businesses and local institutions that have more reach and sustainable impact than aid agencies.
- This also calls for addressing regulatory barriers that make it challenging to rapidly transition between aid modalities and to partner with local actors.<sup>22</sup>

Both GHG and RAIN built the foundation for Mercy Corps to venture into new partnerships and expand geographically. Subsequent partnerships with Walmart Foundation, SIDA, and the MasterCard Foundation were well informed by these lessons, enabling them to scale up in new geographies and to target groups like women and youth. For Mercy Corps, success has been project based. The next frontier is to continue to examine how adaptive management contributes to building resilience and to explore how to take this beyond projects and institutionalize across all aspects of our work.

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<sup>15</sup> Mercy Corps, IRC. Building an Adaptive Team.

<sup>16</sup> Allana, Sparkman. Navigating Complexity.

<sup>17</sup> Hemberger. Beyond Cash.

<sup>18</sup> Allana, Sparkman. Navigating Complexity.

<sup>19</sup> Hemberger. Beyond Cash.

<sup>20</sup> Allana, Sparkman. Navigating Complexity.

<sup>21</sup> Hemberger. Beyond Cash.

<sup>22</sup> Hemberger. Beyond Cash.

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