**WORKING POLITICALLY IN PRACTICE SERIES
– CASE STUDY NO. 5 –**

REFLECTIONS ON IMPLEMENTING POLITICALLY INFORMED, SEARCHING PROGRAMS: LESSONS FOR AID PRACTITIONERS AND POLICY MAKERS

April 2016   *William Cole, Debra Ladner, Mark Koenig, and Lavinia Tyrrel*

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Foreword

For several decades, The Asia Foundation has been implementing development programs through a highly responsive, politically informed, iterative 'searching' model of assistance. Variations of this approach have been an important element in the Foundation's work going back to its founding in 1954. While each program varies, this model is broadly characterized by a heavy emphasis on contextual knowledge and relationships, combined with multiple small, nuanced and carefully targeted interventions working closely with local partners. This stands in sharp contrast to the conventional, pre-planned project approach that has long been the standard in the development industry. Especially in cases where the development problem appears to be politically intractable, an approach that focuses on building relationships and expanding knowledge of the landscape of interests and influence, while retaining the flexibility to adjust program strategy and tactics as new information or unexpected opportunities become available, is more likely to yield good results.

An important component of this work has been The Asia Foundation's partnership with the Australian Department of Foreign Affairs and Trade (the DFAT-TAF Partnership). The Partnership has provided the Foundation with a unique opportunity to test, analyse and learn from program initiatives that took an iterative politically-informed approach to reform and development. This Working Paper Series draws heavily though not exclusively on our recent experience under the DFAT-TAF Partnership to explore what working politically means in practice. The series also includes case studies that were undertaken in collaboration with the Overseas Development Institute (ODI).

This paper outlines some of the lessons we have learned about the challenges of designing and implementing politically informed and iterative searching styles of assistance under the DFAT-TAF Partnership. To a large extent, these confirm the insights found in the existing literature on these topics, though some new ideas are presented. While the many program initiatives undertaken in this case were diverse and unique, we found that the more successful ones shared certain common elements. The paper starts with a consideration of the management functions that were put in place to ensure that local teams made optimal use of the operational and budgetary flexibility provided. The paper then focuses on the challenges and obstacles that all teams using a searching style must face and how these were addressed in this very diverse group of initiatives. The paper concludes with our general observations on this kind of programming, and recommendations on next steps for further developing, testing, and expanding use of politically informed searching programming under conditions of high flexibility.

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Executive Summary

This paper presents insights gained in the course of implementing a range of development programs in Asia that used a *politically informed, searching* approach to facilitating change. Most of these programs were implemented between 2012 and 2015 as part of The Asia Foundation-Department of Foreign Affairs and Trade (DFAT-TAF Partnership), but they built on groundwork laid by The Asia Foundation (the Foundation) over the preceding decade. That groundwork consisted of a combination of project experience, conceptual framing, research, and policy workshops supported by many donors. The Partnership made it possible to take these efforts to a larger scale, covering a range of development problems in different country contexts across Asia. The purpose, jointly conceived by the Foundation and leadership at the Australian Department of Foreign Affairs and Trade (DFAT) in Canberra, was twofold: (1) to achieve significant development results, through a flexible, *politically informed, searching* approach to programming, and (2) to advance our collective knowledge about designing, implementing, and managing these types of programs. This paper contributes to efforts to achieve the second objective by sharing some of what has been learned through this experience.

BEYOND THE CURRENT LITERATURE

In general, this exercise has reaffirmed much of the thinking in the growing body of literature on politically informed and iterative searching approaches to reform (e.g. The Asia Foundation, 2011; Andrews et al., 2012; Booth and Unsworth, 2014; Faustino and Booth, 2014; Kleinfeld, 2015). On the whole, that literature points to a series of *principles* that must underlie action in order to be effective when working in these ways. These include the need for establishing a learning dynamic within projects, the importance of responding to the political landscape in real-time, the centrality of relationship building to successful program action, and the importance of deferring to local leadership in creating locally-owned, locally-driven solutions. The literature has also noted that implementing teams need special skills to work in these ways, and funding modalities that are designed with enough flexibility to allow them to do so.

In both the work undertaken over the past years and our analysis of it, we have sought to supplement and move beyond the current discourse to explore the diverse forms that iterative searching programs can take, while identifying common features of more successful cases. We have also focused on the management conditions necessary to allow a *politically informed, searching* approach to be successful.

SUMMARY OF LESSONS LEARNED

Among the many lessons learned in the course of implementing these programs, we believe the following are particularly important:

- **Not shying away from ambitious outcomes:** Program "success" was defined as the use of *politically informed, searching* methods to achieve an ambitious, transformative outcome that can be defined in fairly concrete terms. Programs that are unrealistically ambitious are usually bound for failure. But when there is good alignment between a program's technical objectives and the interests, motivations, and power of key local decision makers dramatic results are sometimes possible. Not all such investments will be successful, so tolerance for failure in an otherwise successful portfolio of programs is critical.

On a more operational level, we found that a shared vision of commitment to an ambitious outcome could generate extraordinary levels of dedication within the implementing team. Keeping the focus on ambitious outcomes ensured that implementing teams would never feel that *output level* achievements were good enough. Instead, it would motivate them to be persistent and creative in their search to achieve meaningful development results. It is important to note that high ambitions did not mean commitment to unmeasurable or abstract goals like 'good governance' or 'improved justice'. Ambitious outcomes had to be concrete and measurable.

• **Framework linking action to outcomes:** In the absence of a predesigned, fully planned blueprint for action, a searching approach requires an ongoing process of testing and adjusting the assumptions made about the likely effects of potential actions on the achievement of the ultimate outcome. In our experience, more successful programs made good use of a dynamic framework that incorporated several elements: selection and framing of a major *development problem*; identification of an ambitious *ultimate outcome*; focus on a potentially high impact and contextually relevant *policy solution*; identification of a *policy mechanism* for getting a technically sound version of that policy solution in place; and a viable *implementation strategy* to ensure that the policy mechanism was implemented.

• **Learning within individual programs:** By definition, a searching approach requires a program framework that incorporates dynamic, iterative learning processes that help an implementing team gain the knowledge it needs to find the most promising path to a desired outcome. The more successful implementing teams effectively linked knowledge building, relationship building, and informed exploratory action. As knowledge of context grew over time, and *critical junctures* emerged, these teams were able to draw on what they had learned over the course of implementation to make sound strategic decisions regarding changes in tactics and strategy.

• **The Strategy Testing system:** Strategy Testing was initially designed to facilitate and track shifts in program strategy and tactics in response to program learning or changes in the local context. The system served as a useful means for encouraging the organized creativity that was the essence of the searching process. Importantly, it also provided a framework for regular communication between the regional management team and in-country program teams.

• **Portfolio approach:** The overall program was organized as a portfolio of individual reform programs that allowed the regional management team to achieve a viable balance between the unpredictability inherent in a searching approach to program implementation and the need, at a higher programmatic level, to ensure accountability, budget predictability, and cross-program learning. While the balance was sometimes difficult to maintain, in practice, the portfolio approach proved to be generally effective.

The authors argue that to achieve the full benefit of a *politically informed, searching* approach to reform, all of the elements outlined above should be pursued together. Any of these elements could be applied on its own to improve a more traditional, preplanned project, and if well-implemented, this might contribute to better project results. But utilized together, these elements proved to be an effective way of implementing a scaled-up program to achieve meaningful change across a wide range of development challenges.

1. Introduction

The unplanned Ger areas of Ulaanbaatar

THE PROBLEM

Over the past decade, growing concerns have been voiced about aid effectiveness. Despite significant progress in much of the developing world, many believe that the 2.3 trillion dollars spent on aid in the last 50 years should have accomplished more. Too often, development investments that appear successful at the project level turn out to have had little or no sustainable impact on the development problem addressed. Among the many causes of aid ineffectiveness, two in particular have been receiving increasing attention in recent years from the development community. The first is the inadequate consideration of the effects of politics on project outcomes. The second is the failure to acknowledge the complex, and therefore inherently unpredictable and nonlinear, nature of development. Development assistance that ignores either politics or complexity, or both, is likely to face serious difficulties in implementation or in sustaining results, and, in the end, may achieve little. But a growing body of empirical research and on-the-ground experience is pointing the way to alternative approaches that take advantage of these insights to deliver better results, often faster, and at lower cost than traditional aid models. What is currently needed is systematic experimentation to generate more detailed and nuanced understanding of how these alternative program approaches actually work, how to organize and manage them, what problems they must overcome, and what skills are needed to implement them.

The Foundation and DFAT have been working under a collaborative partnership to help answer some of these questions. This paper outlines some of the key findings of this work.

LINKING THINKING AND WORKING POLITICALLY WITH A SEARCHING STYLE OF PROGRAMMING

Bringing Politics Back into Development

Most aid practitioners today understand that politics matter. The persistence of poor policy and dysfunctional institutions usually has less to do with a lack of knowledge about what to do, or lack of money to do it, than with the actions of powerful actors who *gain* from existing arrangements and proactively resist change. Simply throwing more money at a problem or investing in better research will not overcome these obstacles to change. Since progress on reform necessarily involves complex processes of conflict,

alliance building, negotiation, and compromise, anyone wanting to support reform needs an understanding of the interests, motivations, and relative power of actors with a stake in the process. These insights are supported by a growing body of research, such as that by Booth and Unsworth (2014), North (1990), Rodrik (2008), Leftwich (2009), Faustino and Booth (2014), and Kleinfeld (2015). Meanwhile, the aid community has been adopting tools to better understand and respond to politics and power at the project design, implementation, and evaluation stages of programming. The term *thinking and working politically* (TWP) has been used as a general rubric to capture this concept.

Most efforts to explicitly integrate political thinking into development assistance have worked within the constraints imposed by traditional aid modalities built around predesigned or preplanned projects. The main question has been—how can project outcomes be improved by incorporating political analysis in the project design stage? Rising investment in political economy analyses (PEAs) is a reflection of this trend. The difficulty is that the interests, power, and potential actions of key actors are often either opaque or entirely hidden at the outset of a reform process, and these may only become clearer over time. Moreover, interests and power are inherently dynamic and evolve, sometimes rapidly, in reaction to changing circumstances. If the political realities around a given reform are uncertain and fluid, then project assumptions built on insights gained from a political analysis completed before a project starts, may soon be outdated. This suggests the need for a shift away from analyzing the political economy only at the beginning of program cycles, in favor of a much more organic approach in which the insights that arise from more politically conscious ways of working can feed directly and continuously into adjustments of tactics and strategy.

Searching versus Planning in Development Assistance

For well over a decade, there has been a growing recognition in the aid community that development processes are characterized by a high degree of complexity.[1] A tightly predesigned project can work well when the problem and the solution are thoroughly understood and the results of specific interventions are all highly predictable. But most development problems involve far more unknowns, and unknowables, than is generally acknowledged. Political dynamics vastly increase complexity. The actions and reactions by one actor can trigger a cascading sequence of actions and reactions by others in ways that critically affect outcomes. In such contexts, the actual power of various players to shape outcomes cannot be discerned at the outset of a project and only becomes clear once that power is exercised. The uncertainty this generates is immense and obvious, and suggests projects that lock in costly investments based on design assumptions that could well be wrong are extremely risky ventures.[2]

The alternative to preplanning in development assistance is what Bill Easterly (2006) has called a *searching* approach.[3] The Foundation has often used the term iterative programming to mean much the same thing. A growing body of literature articulates the traits that might constitute a *searching* approach.[3] In this style of assistance, initial steps are incremental and exploratory; strategies and tactics are not fixed but evolve as knowledge deepens over time; interventions are based on working assumptions subject to constant review; and viable, sustainable solutions are not tightly specified up front but are "found" over time. In contrast to conventional project planning where the design and implementation phases are distinct, design and implementation in a searching approach occur in tandem and continue throughout the life of the project.

THE ASIA FOUNDATION, AND THE DFAT-TAF PARTNERSHIP

For several decades, the Foundation has emphasized an approach to development that is close to what today we would call a searching style of assistance. Wherever possible, programs are heavily *context-driven*, meaning they are politically informed, depend on local ideas and local initiative, and are flexibly implemented with activities and timelines adjusted as conditions change and new information becomes available. Importantly, this mode of programming did not start as a theoretical insight that was subsequently operationalized, but rather as a semi-articulated practice that emerged over time through a long line of

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1. Complexity points to the inherent unpredictability in any system that involves multiple interacting elements or actors where the interactions evolve based on previous interactions and, therefore, over time, may change the whole nature and structure of the system, often very rapidly and nearly always in unanticipated ways.
2. Easterly (2006), Rajalingum (2013), and Burns and Worsley (2015), among others.
3. Variations of this approach are discussed in Faustino and Booth (2014) on Development Entrepreneurship, Unsworth and Booth (2014) on the 6 Principles for Arm's Length Programming, and Andrews et al. (2012) on Problem Driven Iterative Adaptation.

projects and conceptual research. These efforts were funded by several donors, most notably DFID, DFAT, USAID, and an appropriation from the US Congress.[4]

In 2012, the Foundation and DFAT entered into a formal DFAT–TAF Partnership intended to facilitate program innovation through an AUD $19.5 million grant. This jointly conceived effort, which eventually spanned 21 programs in 12 countries and several regional programs, envisioned a 'laboratory' set up to explore how, where, and under what conditions a flexible, politically informed, *searching* style of assistance could yield good results where more tightly preplanned or purely technical approaches might not.[5]

LAYOUT OF THE PAPER

This paper provides a series of lessons learned regarding the ways Asia Foundation staff have approached the challenges of designing and implementing *politically informed searching* programs, largely, though not exclusively, under the DFAT–TAF Partnership. The cases on which we draw are highly diverse, in part, because the development problems addressed, country contexts, and implementing teams differed.[6] More importantly, although all program teams faced similar obstacles in applying a searching style of programming, how they approached those

obstacles varied a great deal and partially determined the degree of success in each case. For the purposes of this paper, we define success in two ways. First, it is the achievement of, or significant progress toward, self-sustaining impact on a major reform problem. Second, it is the extent to which the program was able to embrace and apply a *searching* style of assistance to achieve that impact.

The main body of the paper is divided into two sections, followed by conclusions and recommendations. The first section discusses the management structure of the DFAT-TAF Partnership, which was important because it provided the larger operating context within which most individual programs described in this paper were pursued at the country level. The second section outlines elements common to the programs that were relatively more successful. These elements include: (1) how program teams framed the development problem and searched for a comprehensive solution to address it, (2) how effective the teams were at learning and adjusting strategy and tactics during implementation, and (3) how teams were composed and supported to work in new ways. Conclusions and recommendations are offered as a contribution to ongoing discussion within the development community regarding programs based on *politically informed, searching* approaches.

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4. On earlier Asia Foundation reflections on TWP, see Cole (2010), The Asia Foundation (2010) and, The Asia Foundation (2011).
5. The institutional level Partnership was initiated in parallel with, but entirely separate from, the Australian country-level partnership in the Philippines (Coalitions for Change). The former was aimed at a broader agenda of experimentation, learning, and policy dialogue, while the latter was specifically designed to contribute to the DFAT program in the Philippines.
6. Brief descriptions of the cases this paper draws on are provided in Annex I.

2. Management that Encourages a Politically Informed, Searching Approach to Programming

OVERALL MANAGEMENT FRAMEWORK

Searching-style programs that provide maximum flexibility to implementing teams on-the-ground require a management approach that differs substantially from one suitable for tightly preplanned projects. For larger programs supporting multiple reform efforts, whether at the country or regional level, the overall management structure must achieve a good balance between the need to maintain accountability for program results and the need to encourage those directly responsible for implementation to be forward thinking, entrepreneurial, and experimental in their approach.

The design of the DFAT-TAF Partnership sought to achieve this balance. Given the goals of the Partnership, the management system used was itself, in many ways, an experiment that introduced new management tools that were purpose built, and then tested over the life of the Partnership. Many alternative management configurations could work well for implementing similar types of programs on an expanded scale, but our experience suggests that, whatever structure is put in place, certain characteristics will be important to consider. This section of the paper will briefly describe some observations derived from the practical strategies taken by the DFAT-TAF Partnership regional management team to structure and create incentives within the Partnership to generate searching style programs. Some other functions of the management team in actively supporting creative programming will be further reflected on in Section 3.3 of this paper.

Structure and Roles

The management structure for the DFAT-TAF Partnership's innovation laboratory was organized in two tiers, with a clear division of labor between a regional management team and the *local program teams*. The regional team was responsible for overall accountability to DFAT Canberra, selecting programs to be supported, allocating funds among them, imposing standard requirements on the country teams, tracking expenditures and results, providing technical support, and capturing lessons learned. The country-level program teams had full responsibility for design and implementation of activities on the ground, and they retained full authority to make all decisions relating to staffing, work plans, timing and sequencing of activities, and allocation of funds within the budgets they were given. Allowing local teams maximum freedom of action deepened their sense of ownership and commitment, and it ensured that decisions could be made quickly in response to changing local circumstances. At the same time, having a regional team to provide oversight and challenge program teams to be creative and ambitious was critical to spur innovation and the full embrace of a searching style of programming.

Portfolio Approach

In development assistance, a portfolio approach that bundles several separate reform programs under a single funding award is not uncommon, but with *highly flexible searching* programs, a portfolio approach may be critical. In the DFAT-TAF Partnership case, supporting a portfolio of programs accomplished several things. First, it contributed to achieving overall value for money by allowing resources to be allocated and reallocated to support those programs making the greatest progress at any given time, while deemphasizing support for programs that had hit obstacles. This was especially important when programs suffered from external shocks (e.g. a military coup, natural disaster) or other factors that caused significant delays. Second, since progress in these kinds of programs is context-driven, expenditure rates are not always predictable. By compensating for surges and slowdowns in spending by individual programs, a portfolio approach made it possible to achieve a reasonable level of stability and predictability at the overall budget level. Third, a portfolio approach also helps spread the risk of program failure. Even though a searching approach makes it possible to achieve dramatic results on complex, politically difficult development problems, taking on these challenging problems also means

accepting the possibility of failure. By maintaining a diverse portfolio, major success in some programs ensures strong value for money at the overall program level, even if a few programs fall short of intended results.[7]

Setting Conditions to Encourage Politically Informed, Searching Approaches

In the case of the DFAT-TAF Partnership, the regional management team imposed a limited number of requirements for the Foundation's in-country teams to participate in the Partnership. This use of conditionality was found to be an important factor in driving creativity and innovation. The three conditions imposed were:

Condition 1—Define an Ambitious Outcome
Reform processes are complex, and achieving significant results is always difficult, so development programs need to be realistic in terms of what can be achieved and in what timeframe.[8] But a *politically informed, searching* approach that aligns reform objectives with the interests and power of key decision makers can, and should, aim to achieve policy breakthroughs. Program teams were required to be realistic but ambitious in defining the outcome they would seek to achieve. This meant looking beyond small, incremental improvements and thinking of success in terms of more tangible and concrete, but transformative, results for the development problem they were addressing.

In Bangladesh, for example, where the leather industry was facing a potential decline in exports due to failure to address massive pollution by tanneries, success was defined as not only a public-private agreement to move to a new site with a wastewater treatment facility, but also the undertaking of the actual move.[9] The regional management team required programs to have clear but ambitious objectives, and to keep reporting focused on progress toward those objectives. These requirements were important for motivating the program teams, but more importantly for making it clear that programs would be held accountable for the achievement of important outcomes rather than for delivery of a set of activities and outputs.

Condition 2— Achieve Results in a Short Timeframe
Despite the ambitious outcomes hoped for, the majority of program teams were told they would receive a maximum of three years of support, and those starting in Year 2 could only be guaranteed two years of funding. This three year horizon was, in part, determined by the overall timeframe of the DFAT-TAF Partnership grant. In addition, however, evidence from other relatively flexible projects that the Foundation had undertaken, especially in the Philippines, suggested that this time frame would be a reasonable estimate for achieving results, or at least making substantial progress. By limiting the time available, the regional team wanted to encourage out-of-the-box thinking, experimentation, and rapid iteration of strategies to seek out the most effective and efficient reform path possible. In some cases, the timeframe proved to be too short, and if funding would have allowed, extensions might have been granted. However, having the time pressure did clearly result in more dynamic and creative programs among those that did achieve some measure of success.

Condition 3—Work within a Limited Budget
Despite ambitious outcomes and limited time to achieve them, a decision was made early on that a relatively small budget would be allocated for each program. Annual budgets ranged from about AUD $250,000 up to about AUD $750,000 for the largest programs. The regional team retained a substantial unallocated pot of funds that could be provided at critical points when unexpected opportunities or challenges emerged. Local teams were given wide discretion to decide how to allocate their resources to achieve results. Limited budgets were again seen as an important element in the strategy to foster creativity and innovation. Several assumptions underpinned this thinking: (1) Excessive amounts of money can generate perverse incentives for key stakeholders that can lead to compliance rather than commitment. (2) Teams with ambitious goals, but scarce financial resources, tend to carefully weigh the value of potential activities and avoid those perceived as only marginally beneficial. (3) With smaller budgets less time is spent on managing funds.

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7. 'Success' meant actually achieving the outcome. Our view has been that this is a more honest approach to development assistance. Without the kinds of process outputs or even monitoring benchmarks that characterize most traditional development projects, when the effort falls short of the intended outcome, there is little to fall back on in claiming success, or the appearance of success. While this is definitely a major strength of the approach taken here, it can create a challenge in reporting if the reader assesses results and value for money based on the success of individual programs rather than on success of the portfolio.

8. DFAT's 2015 Effective Governance Strategy emphasizes the need for sober assessment of what is possible, and we fully agree that ambition must always be tempered with realism. For more information see: http://dfat.gov.au/about-us/publications/Pages/effective-governance-strategy-for-australias-aid-investments.aspx

9. This line of thinking can be extended to include reduction of the quantities of pollutants dumped into the rivers, and therefore the impact both on the natural environment and on the health and life expectancy of the communities downstream. Thinking broadly and asectorally about development problems generates an even clearer picture of the value component of the value for money assessment.

3.   Common Elements Observed in Successful Programs

While the case studies on which this paper is based were quite diverse, there were important similarities in the approach taken, and many enjoyed a similar measure of success. Close examination of these cases can yield useful lessons regarding the key factors likely to affect success when implementing a *politically informed, searching* style of program. Three broad elements appear to be most significant:

• how program teams framed the development problem and pursued a comprehensive solution to address it;
• how effective the teams were at searching, i.e. learning during implementation and using that knowledge to adjust strategy and tactics to improve the likelihood of success;
• how local teams were composed and supported to work in new ways.

Each of these three elements is examined below.

3.1 FRAMING THE PROBLEM AND PURSUING A COMPREHENSIVE SOLUTION

Traditional development projects generally start with a distinct design phase during which the processes of problem identification and program development are completed. Generally, these are not seriously revisited until the end-of-project evaluation, or occasionally the mid-term evaluation. With *searching* programs, as noted earlier, the process of constant iteration means that design and implementation cannot be done separately or consecutively. Instead they occur simultaneously throughout a program. Therefore, successful teams needed an integrated framework that combined design and implementation, as illustrated in Figure 1.

The first key element common across successful programs was effective *framing of the development problem* to be addressed, and then developing a *comprehensive solution* to that problem. How successful teams went about the process of framing the problems they would address and developing comprehensive solutions to those problems is discussed below.

Figure 1: Framework for Defining and Solving Development Problems

Framing the Development Problem

Developing a Comprehensive Solution

POLICY SOLUTION

POLICY MECHANISM

ENSURING IMPLEMENTATION
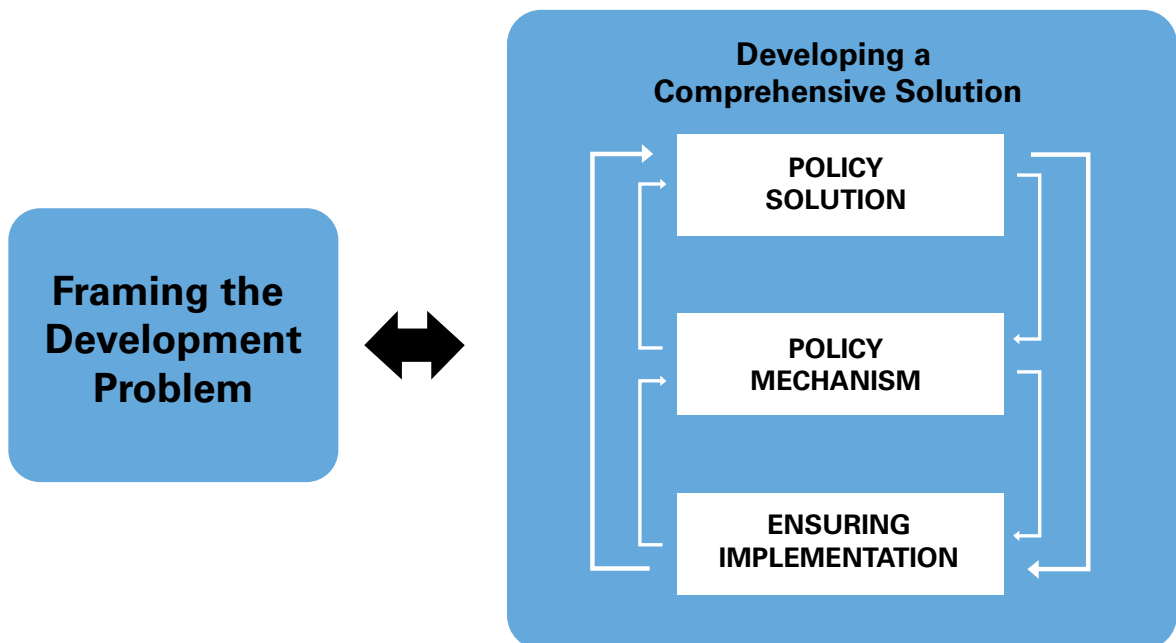
Framing the Development Problem

Successful program teams began with a tentative framing of the *development problem* to be addressed and then periodically reviewed and adjusted that frame as they worked their way toward a technically sound and politically possible solution to the problem. Framing the development problem involved breaking down and analyzing all relevant aspects to understand both why it posed a critical technical barrier to development, as well as how it was perceived by key local actors. The use of quantitative and qualitative data was critical to this analysis, but even more important were consultations with local actors to determine whether and how the problem actually mattered to them, and whether or not influential actors would be likely to commit their political capital to address the problem. While local consultation is hardly new, the teams specifically stressed the importance of listening to local stakeholders to learn as much as possible about the interests of key decision-makers. This was essential for generating hypotheses regarding who might support or oppose reform, and what compromises might be needed to reduce opposition.

By listening to how local partners articulated the problem and its links to their own interests, rather than starting with a predefined problem or predetermined solution, teams positioned themselves to align reform efforts with existing local political narratives. For example, in Mongolia, the reform team worked closely with city officials to design a technical set of reforms to strengthen solid waste collection. As part of the political strategy to get that reform approved, the team linked the approval process for that policy reform to a series of measures taken by the city government to respond to public criticism about an unrelated waste management program. This strategy emerged from conversations in which the team listened to the Mayor's priorities, understood his needs and perceived interests, and slightly adjusted the policy reform so that it aligned with the Mayor's strategy to respond to the public criticism. Careful listening and consultation helped the team make these strategic decisions and frame key reforms in a locally relevant and politically sensitive way.

The initial framing of the development problem was a critical step, but, as noted above, this early framing was never set in stone. Rather, it was modified as new information and a more nuanced understanding of the context became available during implementation. In most cases, key pieces of knowledge that sharpened and refined the team's understanding of the problem could only have been gained once activities started.

In some cases, a year into implementation program teams had to modify their assessment of the development problem and the context surrounding it, and then refine their ultimate outcome accordingly.

Developing a Comprehensive Solution

After developing an initial framing of the problem, over the course of implementation teams then formulated a comprehensive solution to solve it. A comprehensive solution consisted of three key components:

1. Policy solution: Programs had to identify a policy solution that would make significant progress on the specific development problem they were trying to address.

2. Policy mechanism: A policy mechanism was the instrument used to introduce the policy solution (e.g. new legislation, presidential decrees, signed agreements, etc.). That mechanism had to do an adequate job in meeting the technical requirements of the policy solution, but it also had to be politically feasible that it would be approved.

3. Incentives and processes to drive policy implementation: Successful strategies also ensured that policies would actually be implemented and have enough impact on behaviours or markets to achieve the intended result(s). This required careful understanding of the incentive structures surrounding the policy solution and policy mechanism.

When handled well, these three components were not developed or settled on sequentially, but were considered together as program teams developed, revised, and pushed their strategies forward. In many cases, components were being revised throughout implementation, and were only fixed in their final forms toward the end of the program. There is no blueprint for how this plays out. Each program followed a unique pathway in terms of how these three components changed, interacted, and consolidated. Arriving at the best policy mechanism for reform required teams to think in advance about the incentives that would shape implementation behaviours after a potential reform was introduced. Similarly, the policy solution often had to be rethought, based on shifting political dynamics or emerging factors that affected the likelihood of the mechanism being approved. All of this often proved to be challenging for individuals and teams new to a *searching* style of programming, given that traditional projects have conditioned staff to think and act in linear, sequential steps.

Settling on a Policy Solution

Successful teams considered a range of potential policy solutions, with their goal being to identify one that would be both technically sound and politically possible. That is, the solution would, in a technical sense, address the development problem if implemented, and it would also generate enough political support to overcome any opposition. In the early stages of each program, teams had to grasp the full spectrum of potential policy options, the strengths and weaknesses of each from a technical standpoint, and the political economy of introducing them. This initial thinking and engagement produced a preliminary best guess for a high impact policy solution to pursue.

Settling on a policy solution and beginning activities did not require teams to immediately articulate how the policy would be introduced (i.e. what the authors are calling the policy mechanism—see below). Successful teams also did not always settle on an effective policy solution early in the program. In fact, all program teams made at least some changes to the substance of their policy solution as they considered potential policy mechanisms, gathered information on political support and opposition, experimented with political strategies, or gathered new data on technical content. In certain cases, such as Cambodia, major details of the policy solution only emerged well into program implementation. In Cambodia, the team focused on improving solid waste management. The policy that was ultimately supported by the team—that of introducing greater competition into the capital's waste transportation system—did not emerge for more than a year. In other cases, such as the Bangladesh leather program, the policy solution (i.e. relocation of the leather tanneries to an environmentally compliant industrial park) was already known before the project had even started. Given the range of experience across these cases, the evidence suggests that there is no specific point in a program when a policy solution has to be permanently fixed in order to be successful.

It was critical, however, that teams were comfortable starting with a 'best guess' or working Theory of Change (ToC), a clear departure from preplanned projects where there is a fairly sharp line separating design[10] and implementation phases.[11] While some teams invested weeks or months in consultation and data analysis to refine their initial understanding of the problem and potential solutions, the initial accuracy of their assessment turned out to be less important than avoiding 'paralysis by analysis' that could prevent them from getting started. Successful programs

Box 1: Adjusting Strategies to Respond to New Developments:

The Case of Hydropower Reform in Nepal

In Nepal, analysis indicated that a critical barrier to the development of the hydropower sector was the 'bundling' of separate functions for regulating, operating, and owning energy transmission lines into one government agency. 'Unbundling' these functions was crucial for more transmission lines to be built, so the team initially pursued the introduction of a new independent authority to serve the regulation function and start to break apart the existing agency (the policy solution). The policy mechanism to achieve this was a bill to Parliament. However, during the project period, the government quite suddenly decided to introduce a new private entity to develop and own new transmission lines. This changed the politics around the 'unbundling' issue, and required the team to revisit their policy solution, and adjust their advice on the bill being developed accordingly.

moved quickly into program action to test, refine, and develop greater insights about the reform context, which ultimately resulted in more effective policy solutions.

Successful programs also simultaneously developed a clear understanding of the best version of the policy solution, as well as the potential compromises that could be made to encourage political approval and implementation without undermining the overall impact. Inevitably, as the technical details of a policy solution were written into legal documents, or debated by stakeholders, changes would be requested. Building ownership and overcoming resistance required changes and compromises, often quickly in order to maintain reform momentum. Teams that were prepared for this were more likely to protect the core elements of the policy solution—and, thus, achieve greater impact overall.

Identifying a Policy Mechanism

The second component of a comprehensive solution was finding an effective mechanism to achieve the policy solution. A policy mechanism consists of the decisions, actions, or processes that are needed to formalize or institute a policy solution. In the cases covered in this review, mechanisms included presidential decrees, revisions to city-level

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10. Usually around 6–12 months, where a ToC is rigorously evaluated and critiqued.

11. Usually around 2–3 years, where the ToC and its associated activities are carried out.

regulations, new legislation to create a new tax, and signed agreements between government and private sector actors. For example, in the Bangladesh leather case, the policy solution involved the movement of tanneries to a designated area with improved facilities, including an effluent treatment plant, while the mechanism for introducing that reform was a memorandum of understanding (MoU), between government and private sector actors, regarding issues such as payment for the plant construction and factory relocation costs. At times, the policy mechanism was more than a single instrument; for example, it could require a regulation and rules for implementation, or an MoU coupled with a financing agreement. In such cases, the politics of approving the mechanism would often become even more complicated, given the various levels of approvals required or the number of stakeholders that would have to agree.

Most successful programs did not settle on the policy mechanism early in the program, and those that did changed or adjusted their mechanism(s) as they learned more about relevant capacities, politics, and implementation obstacles. Some programs even pursued multiple mechanisms simultaneously, well into the program period, to discover which would be most effective. All successful programs made small investments to test different strategies and possible mechanisms, and then reallocated their time and money, depending on which pathways proved to be the most promising. Managing these 'small bets' required careful allocation of staff and finances, and constant reevaluation of the political processes needed to enact each potential mechanism. This was often the most obviously 'political' part of a program, because ensuring that a policy mechanism would be approved required developing strategies to garner support and reduce resistance.

Structuring Incentives to Drive Policy Implementation
The final component of a comprehensive solution is, of course, implementation of the policy solution. Simply introducing a policy mechanism does not ensure that the ultimate objective of the program has been achieved. One has to ask whether the policy mechanism used was actually implemented and enforced. All successful teams either: (1) found a mechanism and policy solution that would have a cascading impact once passed (i.e. in such cases no further support would be required for successful implementation), or (2) they worked to shape the political environment and incentives around a policy mechanism, so that key stakeholders would push implementation forward and ensure enforcement after the project period.

Box 2: Driving Implementation

Examples from Mongolia and Bangladesh

In Mongolia, where the team was focused on urban services, the municipal bureaucracy was the key actor that would implement the policy solution identified. Recognizing this early on, the team spent months promoting ownership of the intended reform among city counterparts. This included supporting city counterparts to lead revisions of the legislation and collaborating with them to prepare implementation documents (rules, explanatory notes, etc.) prior to the passing of the legislation. Also, the team worked through those responsible for implementation to propose the amendments to the city leadership. As a result, the leadership associated those actors (rather than Asia Foundation staff) with the reform. This was coupled with engaging with the city's leadership to put pressure on the bureaucracy, and create a demand for reform within government that positively incentivized middle level officials.

In Bangladesh, early in the leather-industry program, the team helped put in place the mechanism for reform (an agreement between government and the private sector for tanneries to move to a new site). After that major decision was made, the team still had to work through a number of implementation bottlenecks relating to financing, political manoeuvring, land sales, and purchases. Recognizing that the initial agreement would not automatically generate impact, the team included an ongoing focus on implementation in their program planning. It was only when a critical mass of tanneries had actually moved their operations to the new location, and the on-site effluent treatment plant became operational, that the implementation process would become self-sustaining, because stakeholders would have enough incentive to continue to drive the process forward.

In cases of cascading impact, a single, well-designed policy mechanism would have significant impact without requiring major investments in capacity building, funding for replication, or lengthy program extensions. Some of the most elegant policy solutions and mechanisms that resulted in cascading impact relied on the private sector. When reforms successfully change the basic rules of a private market, business actors will necessarily respond, based on their particular business interests. While there can be gaps

in information, or uncertainty that prevents expected responses, in general, private markets exhibit relatively strong degrees of predictability.

Not all successful programs were able to find a single policy mechanism that could generate cascading impact without further support. In some cases, it took a policy mechanism, coupled with a series of problem-solving tasks or actions, to structure incentives and develop sufficient momentum to carry policy implementation forward. A comprehensive solution was only complete once the mechanism was primed to achieve its intended impact without further support from the program team. When the introduction of a policy mechanism did not automatically result in impact, teams had to find strategic ways to generate adequate levels of local ownership and effective incentive structures to drive implementation forward. When enforcement of changes introduced by the policy mechanism depended on government agencies or other actors, teams had to go beyond formal approval of the policy mechanism. This often required sound analysis of potential resistance as well as the development of strategies to overcome efforts to block or subvert changes to the status quo. Otherwise, policy mechanisms could fail to achieve the impact desired. For examples, see Box 2.

It must, of course, be acknowledged that even once a comprehensive solution is in place, and the implementation of a policy solution is moving forward, there are critical assumptions made about how the proposed comprehensive solution will actually solve the development problem. All programs, including both traditional approaches and those using a searching approach, will face challenges in tracking and measuring the long-term impact of their efforts. While this issue was recognized by the program managers and consideration was given to it in the evaluation plans developed for the DFAT-TAF Partnership, the limited three-year timeframe made follow-through impractical, and, in many cases, teams were unable to fully develop this important line of thinking.

3.2 EFFECTIVE LEARNING AND ADAPTATION IN FLEXIBLE PROGRAMMING

The framework laid out in Section 3.1 helped local teams think more clearly about what they were trying to achieve, but it was the process of iterative searching that was important for explaining how they achieved it. As described earlier, if one accepts that development programming is complex, and that much of the information needed to introduce viable policy solutions is unavailable at the outset of the program, then, the most rational approach is to engage in a process of structured exploration and learning. In practice, this means initial steps are incremental; strategies and tactics are not fixed but evolve as knowledge deepens; actions are based on working assumptions that are subject to constant review and modification; and viable and sustainable solutions are not tightly specified up front but are discovered over time. In the most successful cases, implementing teams were especially good at the process of learning and adaptation during programming.

A review of the successful cases suggests that there is no single model for how to implement a searching approach. Successful programs varied tremendously, because they were adapted to fit the context—the country, the team, the development problem being addressed, the stakeholders, etc. However, while the process of iterative searching varied, we were able to identify three common challenges that all teams faced in the effective management of flexibility in ways that led to project success: (1) effectively linking knowledge, relationships, and action during program implementation; (2) maintaining focus without limiting experimentation; and (3) recognizing and responding to critical junctures.

Linking Knowledge, Relationships, and Action during Program Implementation

How well teams organize and prepare themselves to refine and improve program strategies and action during implementation is, in many ways, the most critical element of success with this style of programming. The process of iterative searching can be conceptualized as consisting of three interrelated strategic elements—building and using knowledge of context, building and drawing on relationships with key stakeholders, and investing in program actions to enhance both and eventually achieve the intended outcome. Ultimately, for the most successful programs, it was this nexus between knowledge, relationships, and action that allowed teams to identify and pursue the most likely path to impact on their chosen development problem.

The linkages between relationships, knowledge, and action are complex and dynamic, as suggested in Figure 2. When teams invested time and effort in building relationships with key stakeholders, they often gained access to information and knowledge of context that proved critical to program strategy. At the same time, demonstrating knowledge of context often helped to build credibility with key actors, leading to stronger relationships that, in turn, generated new insights on the problem and potential policy solutions. Similarly, teams drew on key relationships in implementing various program actions. Undertaking a

Figure 2: The Three Linked Elements of Iterative Searching
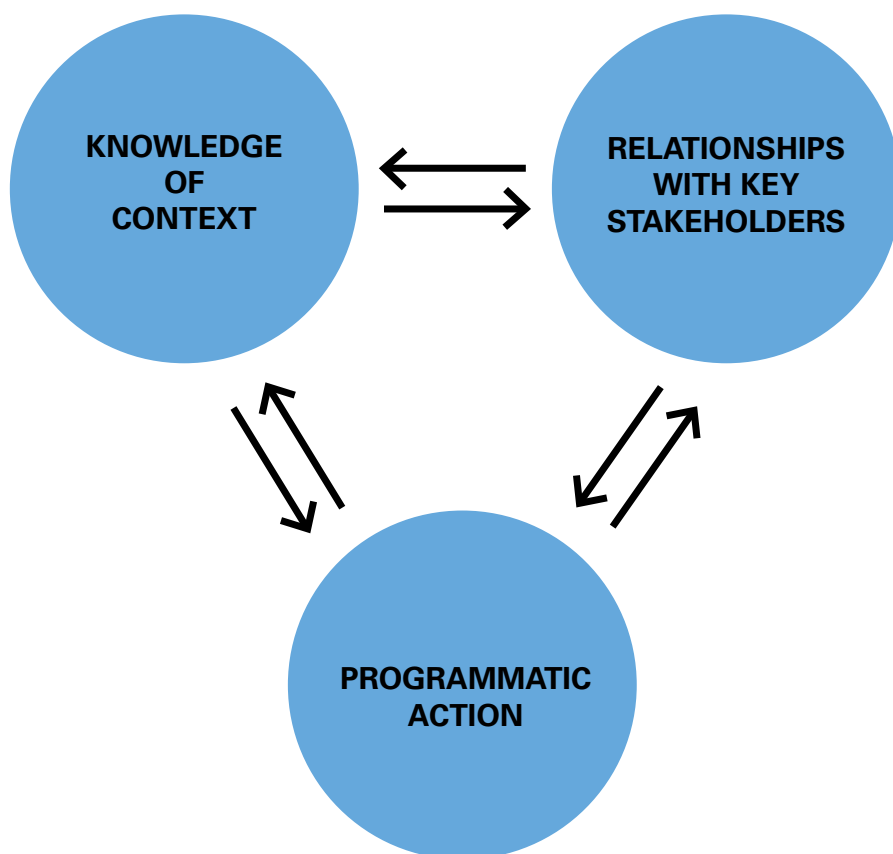
new activity with a partner could both strengthen the relationship and help assess that partner's capacity and commitment to reform. Finally, program actions often generated a deeper understanding of context and new insights on constraints and opportunities, while gathering information and conducting analysis helped teams prepare to successfully carry out activities. There is no set model for how to sequence or manage these three elements of iterative searching, but we can say with confidence that developing tight linkages between them is critical.

All of the high impact cases discussed in this paper exhibited a strong capacity to generate knowledge and build relationships. Teams drew on the pre-existing relationships of staff, consultants, or grantees,[12] while also building new relationships from scratch. Some teams built new relationships through activities, and these, in turn, generated information to refine program strategies or built trust to allow closer collaboration. At other times relationship management meant using activities or specific pieces of information to influence relationships between key actors— essentially, brokering more constructive interactions between stakeholders to promote desired reforms.

All successful teams also valued the informal advice and personal impressions from trusted contacts to gauge progress and refine strategies. This kind of informal information gathering was treated as a critical source of team learning—and, importantly, as sufficient evidence to justify a change in program strategies or implementing tactics. If teams had strong relationships that generated useful and timely information, they could act more quickly and in more informed ways.

As would be expected, trust was an important factor in the strength of relationships, and it could only be built over time though responsive cooperation, regular engagement, and recognition of some shared goals or values. Understanding this, teams sometimes responded positively to partner requests for support with the explicit intention of building relationships. At times these transactional activities had limited direct relevance to program objectives, but they supported the development of the trust and relationships critical to program success. Trust deepened when teams could demonstrate their capacity to respond to, and deliver on, partner requests, and this led to a wide range of strategic relationships. Effective teams did

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12. At times, this meant trying to gauge the networks and existing relationships of potential applicants for staff and consultancy positions as part of the recruitment process. It also sometimes meant encouraging staff members to think creatively about how their networks and relationships might link to the program strategy.

not trade activities for political or bureaucratic support, but rather, used transactional activities to understand the interests of key stakeholders, deepen relationships with them, and help shape the perception of key actors, regarding the policy solution being pursued as a core objective of the program.

Because it takes time to develop trust with local counterparts, in many cases, critical information was not offered at the optimal time for planning and strategy development. Often, it was only over time and through repeated engagement that key stakeholders would come to reveal information critical to program success, especially information of a sensitive or politically charged nature. Across the board, programs saw sudden spikes in the availability of information, depending on how their relationships progressed. For example, in Mongolia, contract templates used by the city government and certain financial information that the team found very useful were not provided early in the implementation of the program, but were only shared after a sustained period of engagement through which the team and its city counterparts had developed a common reform vision.

The process of actually translating relationships and learning into action generally took place at two levels. First, the on-going process of micro-level problem solving and adaption occurred at least daily, if not hourly, in some cases. This involved constantly testing ideas; fielding calls, emails, and requests; and then adjusting detailed operational plans in response. This daily problem-solving is what many good program managers do, including those with limited flexibility. Second, on a more strategic level, all successful teams dedicated time to periodic reflection. While most aid programs have built-in reflection points, in the case studies presented in this paper, teams adapted their strategies, tactics, and expected outcomes in real-time in response to learning. Successful teams made changes to activities and strategies immediately rather than waiting for a formal review point or for management approval. Within the context of the DFAT–TAF Partnership, a tool called Strategy Testing (Ladner 2015) was developed to facilitate this reflection process. All programs were required to have these critical reflective discussions at least three times per year. More discussion on Strategy Testing is provided in Section 3.3 below.

Maintaining Focus without Limiting Experimentation

A common challenge faced by program teams using a searching approach was maintaining a clear focus on impact while, at the same time, allowing sufficient space for experimentation and learning. Successful teams were able to skillfully handle this tension between ensuring accountability and protecting flexibility. This required patience and persistence in the face of uncertainty as well as avoiding distractions through careful management of partner expectations. These traits were critical, since the pace of progress toward developing a comprehensive solution could be irregular and unpredictable. While there is scope to influence, generate pressure, or provide assistance to speed processes up, there are also limitations. Pushing too hard at the wrong time could risk causing a backlash, while being too complacent could lead to a loss of momentum in the political context. When restraint was required, teams focused on monitoring the local context and staying engaged with key partners so that, as opportunities arose, they were able to respond quickly and decisively. When opportunities did suddenly break, teams had to work intensively, often with unpredictable hours.

As previously discussed, the flexibility to adjust program strategy has many upsides. However, if not carefully managed, flexibility can increase the risk of program teams getting sidetracked and losing sight of their ultimate outcome. For example, making small bets in order to move forward in periods of uncertainty required carefully managing partner expectations, and leaving some staff time and/or finances unallocated in case unexpected opportunities arose. This approach also required knowing when to drop an experiment that was not working. As they made such choices, it was critical that teams did not become distracted from their core objectives, by over investing in small bets or experiments that did not show promise, or choosing activities that were difficult to stop, as a result of funding commitments or relationships with important stakeholders. Experimentation without maintaining an ability to correct course could turn flexibility into a problem rather than an opportunity.

Many common distractions came from well-intentioned efforts to respond to partner requests for support on activities somewhat peripheral to core program aims. Partner requests for unplanned support are a recurring reality faced by all locally grounded development actors, but in the case of flexible programming, the scope to respond to such requests is substantially higher. At times, successfully maintaining focus requires teams to say "no" to requests for their engagement on non-essential activities, and to do so without damaging relationships (e.g. by providing initial feedback but with a limited investment of staff time). However, responding to unexpected requests can also be useful, even when the direct connection to the core program objectives

A landfill in Ulaanbaatar, Mongolia

is not immediately clear. In Mongolia, for example, responding to a request for support to arrange a dialogue on economic development unexpectedly positioned the team to directly engage with city leadership on administrative reform, which was directly relevant to the program's core issue of improving service delivery. Successful teams thought creatively about how partner requests might be leveraged, and the likelihood that nonessential activities could provide a useful opening to make progress on their ultimate outcome rather than become a distraction.

Recognizing and Responding to Critical Junctures

A common challenge associated with a searching style of programming is knowing when to change a strategy and how radically to change it. Considering whether to stay the course or shift direction involves a potential opportunity cost, and the decision usually has to be made with incomplete information. When faced with rising doubts about the likelihood that the program's current direction will eventually yield results, program managers typically face three options. First, they can choose to stay the course on a given action or strategy. Second, they can stop an action or strategy all-together. Third, they can choose to pivot, meaning they tweak or change an action or strategy but not abandon it entirely. Sticking with the old strategy too

long risks wasting time and resources, but changing too quickly or too radically risks the possibility that a little more time on the original strategy might have yielded results. In the cases studied, successful program managers were skillful in analyzing the information available and making tough choices.

At times, managers could postpone making irreversible decisions by pursuing more than one strategy at the same time. Pursuing multiple strategies in parallel allowed teams to experiment and gather additional information until sufficient evidence emerged regarding which was most likely to yield results. While this multiple track experimentation required spreading financial and human resources thinly at times, it was a common feature across the successful cases reviewed. However, in some circumstances, divergent strategies could not be tested simultaneously, and a clear decision was required to select a single strategy that would effectively rule out alternative strategies. Such changes would have significant, possibly irreversible, flow-on impacts for the program. These decision points might be described as critical junctures. At these junctures teams had to carefully weigh potential consequences of decisions on their activities and relationships, as well as the impact on wider strategies they might consider in the future.

Critical junctures is a term that denotes "fork-in-the-road" decisions that will determine the future path of the program, and that could ultimately determine its success or failure. Critical junctures can arise due to external events beyond a team's control (e.g. a natural disaster), or due to shifts in the team's analysis or strategy, based on new knowledge or the establishment of new relationships. Looking across the cases, there were many changes in context that affected program success. These ranged from major political upheavals (e.g. coup d'états or electoral transitions), that affected a broad range of sectors and issues, to narrower sector and issue-specific events, such as the way in which media and political figures seized on a particular component of solid waste or energy policy. Critical junctures could also occur when key information or a new opportunity led teams to consider different strategies and make dramatic program decisions.

Recognizing that 'critical junctures' are important is easy. The challenge is that the full implications of critical juncture decisions are often only revealed in hindsight, meaning that during implementation the significance of changes being made was not always clear. Sometimes, choices were obvious; this was the case in the Cambodia solid waste program, which initially pursued two parallel strategies for reform before making a definitive decision to cut one (see Box 3). In other cases, however, the implications of teams' choices only became clear after the fact. For example, in Mongolia the team decided to link a proposed legislative reform on solid waste management to a new idea on fiscal decentralization being developed by the city government. At the time, the team viewed this strategic decision as an opportunistic move; they did not see it as a gamble that would prevent them from pursuing other strategies. So while the team was unsure whether this strategy would work, they decided to give it a try, given the low risk that it could negatively affect other aspects of the program. In retrospect, it became apparent that this was a critical juncture that contributed to getting a key regulation passed, but at the time, it was not seen as a particularly important decision.

Box 3: Critical Junctures:

The Cambodia Example

In some cases, recognizing when a critical juncture is occurring and understanding its implications is a straightforward matter. A good example is the Phnom Penh solid waste management case, where two parallel strategies for reform were initially pursued. The first strategy focused on improving the performance of the service provider, who dominated the waste collection market. The second explored the possibility of introducing more competition into the market by revoking or limiting that service provider's contract. After some time, an opportunity emerged for the team to take a public position on adjusting the service provider's contract. The implications of taking this path were clear and irreversible, since it would end further collaboration with that service provider and forego the possibility of influencing change from the inside.

3.3 DEVELOPING SUCCESSFUL SEARCHING TEAMS

The final common trait among successful programs was having the right human resources and program structures in place to implement a searching approach. Only with the right skills and a supportive environment would teams fully embrace risk-taking, flexibility, and learning. In most of the cases referenced in this paper, the teams started from scratch, with very few individuals who had experience working in an iterative manner. This meant that a concerted effort was required both to develop those key skills, and then to enable and encourage staff to apply them. As this effort took place within the two-tiered management structure described in Section 2, it involved both regional management and the managers of the in-country program teams. This section of the paper starts by briefly explaining how the regional management team created an overall environment to

encourage and protect flexibility and freedom at the program level. It then goes on to describe the ways that successful country-level program teams were managed to enable them to take full advantage of that flexibility.

Regional Management to Protect and Encourage the Use of Flexibility

A critical function of regional management was to provide, and protect, the high level of flexibility (financial, strategic, and administrative) needed to empower country-level program teams to implement a searching approach. Flexibility was protected to the greatest extent possible throughout program implementation and not just at the early design stages. This required the regional management team to fully vest program decision-making authority in the country-level program teams and to use communication, learning, and accountability approaches that responded to and, in fact, encouraged flexibility and adaptation.

In addition to providing space for innovation, regional management also provided direct backstopping and support to those program staff who struggled with implementing a searching style program for the first time. This role sometimes involved serving a challenge function or acting as what is sometimes called a "critical friend". Having someone close to the program, but not involved in the day-to-day work, play this role proved helpful in both pushing and supporting local staff to work in more adaptive and entrepreneurial ways. To function well, this role required continual engagement with the program team to build trust, develop an understanding of the context in which they were operating, ask tough questions, and encourage the team to maintain focus on the higher goal they were trying to achieve. This support role was often linked to the Strategy Testing system (Ladner 2015). As mentioned, this tool required teams to step back from activity implementation to consider the program's strategic direction. One of the benefits of this system was that it required program teams to document shifts in program strategy and outcomes. This documentation served as a useful communication tool. It prompted discussions on the underlying strategies that were driving programming and allowed the regional management to raise potential problems.

In-Country Management to Take Advantage of the Opportunity to Implement Flexible Programs

In-country program managers also played an important role in creating an enabling environment conducive to a searching approach. At the most basic level, this meant hiring and developing the right group of individuals to build a team that had the right skills, experience, and traits to effectively carry out a searching approach, and then, once those teams were in place, to enable them to be creative, flexible, and ambitious. These two main tasks for in-country managers are explained in greater detail below.

Hiring and Developing the Right Skillsets

Program teams across the DFAT–TAF Partnership were made up of many different types of personalities—all with varied tolerance for risk, patience for muddling through, and interest in politics. Not all individuals engaged in these programs were innately political or flexible programmers. However, teams needed to be constructed to collectively work in the way envisioned. There was a need to build balanced teams that combined the right set of skills and experiences but also had complimentary character traits and working styles.

The particular skillsets needed for searching programming has been written about before. In particular, Faustino and Booth (2014) describe a number of core roles that a team needs to successfully design and implement programs using Faustino's version of a searching approach (termed Development Entrepreneurship). The roles they describe include: a team leader to coordinate strategy and efforts of team members to integrate technical and political dimensions of a policy solution; a person with technical expertise to provide technical analysis; a person with political skills and networks to enable the technical analysis to get to the right people; and finally, an insider who has deep knowledge and experience in the reform area to provide understanding of the business model or logic that sustains the status quo.

Most of the cases in this paper confirmed that these various skills were needed, but that they could be covered in a myriad of ways. Some teams had individuals who could embody several of the roles, while others found a specific person for each role on the team. In addition to these project roles identified

above, further reflection on the cases suggests that there might also be a list of personality traits that were needed to build successful teams. These included:

- *A diligent documenter:* someone who recorded and maintained accurate and descriptive records of key decision points, program narratives, and important pieces of information. This proved useful not only for the team to track its own learning, but also for outsiders (especially donors) to understand how the reform process was unfolding.

- *The outside-the-box thinker:* someone who would constantly (but constructively) push others to seek out new information, learn, and challenge fundamental assumptions throughout the project even when work down a certain path had already begun.

- *The voice of reason:* someone who is able to constructively cause teams to pause for thought about the implications and ramifications before launching into a course of action.

- *The flexible go-getter:* a trait useful for many team members is comfort operating when there is a high degree of uncertainty, and being happy to muddle through to try and make sense of things around them. Individuals who embraced this uncertainty were able to largely unshackle themselves from predefined, normative world-views on how change should or could happen and see the reform context for what was actually unfolding.

- *The humble-pie-eater:* someone who is acutely aware of the limitations and subjectivities of their own knowledge and is constantly seeking to introduce new perspectives into the team's work to shed light on their own biases. This individual, or group of individuals, also usually places a high value on the 'tacit' and impressionistic knowledge emerging through relationships and local networks (e.g. informal conversations) that others might miss.

While it is outside the scope of this paper to discuss the extent to which these traits are a product of nature or nurture, it can be said that certain program tools and training combined with mentoring did foster these traits. For example, as discussed previously, the Strategy Testing process (which included training on how to develop a ToC) helped teams deepen their analytical skills and—in particular—those skills related to political economy analysis and complexity-aware monitoring and evaluation. One-on-one mentoring and group training also exposed individuals to new program approaches and models (e.g. the Development Entrepreneurship model), which many teams then adapted and incorporated into their day-to-day work.

Enabling Teams

In order to foster this art of programming, it was not enough for teams to simply bring together the various personalities and skillsets described above. Managers also had to create an environment that was conducive to a searching approach to programming. When program teams were asked to identify the management features that they saw as most critical to their work, they raised the following five points:

- *Providing space and opportunity for creativity:* Creating a culture that encouraged experimentation, positive contestation, testing of strategies, and inquisitiveness relied on management's ability to empower team members. All successful teams introduced space for their members to be creative in forging new relationships and contacts, generating and testing small ideas to move the program forward, and trying to resolve snags or obstacles. This meant managers had to trust team members to operate independently, but still stay in-line with the overall strategy. This was sometimes done by providing small amounts of funding for team members to experiment with, but in all cases, it involved allowing specific team members the space to generate and manage certain key relationships.

- *Risk-enabling with support:* All managers strove to create a common culture that ensured the group was risk enabled. Good management helped more risk-adverse individuals to take action without absolute certainty of future steps and to overcome any concerns about making change based on new information. Critical to this was the manger's ability to step in or support program staff when things did not work as planned and show that failed experiments were acceptable if they could generate learning and strategy refinement. Similarly, managers also had to support the most

entrepreneurial team members to manage their calculated risks and make sure strategy iterations were well reasoned and fully explained to all team members.

• *In-depth communication on strategy:* All managers made efforts to debate, discuss, and consider strategy options with the full team. This was more structured for larger teams, but even small teams made concerted efforts to ensure that ideas were fully explored together. Inclusive, regular conversations were critical to share learning that was going on at the individual level through day-to-day interactions with local contacts, as well as to create a common vision and shared understanding of why certain decisions were made. Focusing meetings and discussions away from the day-to-day implementation issues that always seem so pressing, and concentrating on higher-level strategic issues, required management to make a concerted effort to prioritize that kind of communication.

• *Collective and participatory discussion with accepted decision-making authority:* The importance of having a robust discourse and debate, and an environment that allowed for creativity and differences of opinion, did not eliminate the need for clear decision making by management. Consensus was not always possible, and some team members needed a clear mandate from management before they would feel comfortable moving things forward, especially with more experimental activities that were not guaranteed to work. The most successful managers gave credit for success and took responsibility for decision making and shortcomings, while also promoting serious, in-depth discussions. The constant balancing act this required was critical for enabling teams to fully embrace a searching approach.

• *Team ownership of ideas prevented emotional responses to change:* Changing direction, or questioning a strategy became harder when the ideas were associated with a specific team member or person. Therefore, it was important to ensure that decisions were collectively owned by the team rather than a specific team member. This prevented individuals from being proven wrong, and having an emotional or defensive reaction when changes were proposed.

4. Conclusion

Construction at the new Savar industrial facility in Bangladesh

POLITICS, SEARCHING, AND COMPLEXITY

Work undertaken by the Foundation since the early 2000s had led us to the view that fully realizing the gains possible from thinking and working more politically requires that we take a more flexible, searching approach to programming. Our experience over the past four years under the DFAT–TAF Partnership has reinforced that perspective. Recent insights drawn from complexity theory, regarding the inherent uncertainty, and thus unpredictability, in all development processes, provide theoretical backing for this view, as well. Taking political factors more directly into account just adds to the complexity and increases unpredictability. Under conditions of high uncertainty, any tightly predesigned project runs the risk that critical assumptions underpinning the choice and sequencing of interventions will turn out to be wrong and that results will fall short of expectations.

A politically informed, searching approach is a method for addressing the challenge of operating under conditions of high uncertainty. A well-structured and wisely implemented searching approach can facilitate discovery of effective and durable solutions to tough development problems that could not have been anticipated, much less planned, at the outset of programming.

This suggests that in the lively discourse concerning how to think and work politically, we may often be looking in the wrong direction. That is, if we are working effectively in a searching way, with full attention to all relevant aspects of context, then we will necessarily take the interests, power, motivations, and interactions of key actors (i.e. politics) into account in our subsequent strategies and actions. To make programs more responsive to politics, perhaps we should worry less about perfecting political economy

analyses and focus more on how to build projects with the flexibility needed to uncover the politics around a reform problem, adjust strategy and tactics accordingly, and efficiently drive the action toward finding and putting into place a viable policy solution.

TOWARD A FRAMEWORK FOR SEARCHING

No single model, in the sense of a rigid blueprint for action that could be replicated elsewhere, emerged from the Partnership experience. Despite the fact that the same conditions were imposed on all the programs implemented, there was tremendous variation in how each program unfolded on the ground. This may not be surprising, given that, in a fundamental sense, a searching approach is all about allowing context to drive programming. While few development practitioners would argue that context does not matter, the notion that context should actually drive programming is a departure from conventional thinking. Context-driven means that once the development problem is identified, both the specific solution and the program strategy and tactics to put it in place emerge organically from, and in adaptation to, the context—that is, among many other things, the evolving interests and power of key local actors, their culture, their formal and informal institutions, the appearance of expected setbacks and opportunities that emerge in the course of implementation, as well as the capacities and the motivation of the implementing organization and the donor.

The nature of the relationships between external and local actors, and the roles of each, lies at the heart of a context-driven approach, and, in our experience, is a key determinant of success in searching programs. To be effective and sustainable, policy solutions have to emerge through an extended process of deep and highly responsive engagement with local actors. From this perspective, attending to local context is not just a matter of adjusting a standard best practice solution to a new location, and committing to local ownership is not simply a matter of getting local decision makers to "buy into" a program predesigned by outside experts. We have found that the most successful programs start with a commitment to genuine reform, and then follow that commitment up with a willingness to adjust program objectives and activities to achieve good alignment with the interests of local decision makers. This requires a significant investment of time and effort in building our knowledge of the motivations and power of local stakeholders, identifying and building trust with those most likely to support meaningful reform, and using their ideas to formulate and drive the reform process. This fundamentally differs from an approach based on convincing local decision makers to adjust their interests and motivations to embrace our predetermined project objectives and activities.

Importantly, however, context driven does not mean that any solution embraced by powerful local stakeholders is good enough. That core commitment to genuine reform, noted above, helps to guard against any tendency that might exist for an implementing team to support meaningless or counterproductive change. At the end of the day, it does mean that the policy solution put in place may be less than technically ideal, but it will be a solution that is both technically sound and politically possible, and therefore achievable and sustainable.

While a blueprint for programs using a searching approach cannot be offered,[13] we now know a great deal more about the challenges that anyone implementing a searching, context-driven approach will have to address, especially when taken to scale with multiple individual programs. These challenges (discussed in detail in Sections 2 and 3) primarily concern how to frame the links between current action and the achievement of desired development outcomes, how best to achieve an efficient and effective internal learning process, how to decide when and where to adjust strategy and tactics, and how to create a management environment that drives and supports creative and committed implementation teams.

LOOKING AHEAD

The innovation laboratory created by the DFAT–TAF Partnership facilitated a great deal of learning about what it means to do politically informed, searching types of programs. Not surprisingly, however, while offering answers to some questions, many more have emerged. Below, we offer several items worth considering for future action by those of us committed to advancing the TWP and flexible programming agendas.

Working with Donors to Develop More Opportunities for Experimentation

More large-scale experimentation with highly flexible programs implemented under arrangements similar to the Partnership's innovation laboratory is needed. Support for multiple reform programs under a single coordinated framework makes comparative analysis possible. More opportunities for experimentation would also allow the possibility of testing different approaches to the management of such programs by intermediary organizations. Both are essential if this kind of programming is to advance further.

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13. In addition, while the range of overall program strategies that have been used to implement politically informed, searching style programs is clearly broad, many of these cases may yet turn out to be variations on a limited number of loosely defined models. A separate paper, currently in preparation, draws on the current and past experience of The Asia Foundation to provide an initial step toward such a typology (Cole, forthcoming).

Donors are often willing to allow a great deal of flexibility on a very small scale and short timeframe, but generally find it difficult to create the conditions for scaling up this kind of program or providing resources beyond limited budgetary and political cycles. Senior leadership in DFAT in Canberra took a bold step in establishing and funding the somewhat unique DFAT–TAF Partnership in 2012 to provide favourable conditions for strategic learning outside of the standard project framework. The DFAT–TAF Coalitions for Change project in the Philippines also supports a *politically informed, searching* style of programming, and, though not explicitly experimental, this program has been quite successful. Another good example is DFID's Program Partnership Arrangements (PPAs), which while not necessarily experimental, are definitely aimed at supporting, and learning from, new and innovative approaches to programming. While flexible program funding is sometimes considered difficult to fit within standard donor procurement, funding, and management systems, many donors already have such a mechanism. For example, USAID has used its Grant modality to fund very flexible programs in the past, and though rarely used today, this modality is ideally structured for supporting searching approaches to reform.

Increased Focus on how Organizations Internally Manage and Support Searching Programs

Within both Thinking and Working Politically (TWP) and Doing Development Differently (DDD) communities of practice, the focus has tended to be on what donors need to do at the top and what implementing teams need to do on-the-ground. Limited attention has been given to what intermediary organizations need to do if and when they are given the opportunity to work in highly flexible, politically nuanced ways. Many are highly effective at making use of the limited flexibility that is sometimes built into traditional development projects, and, in some, there are pockets of capacity to make use of maximum program flexibility. But organizations that depend on public sector funding have evolved under competitive pressures to meet industry standards for executing conventional preplanned projects. This may leave them initially ill-equipped in terms of staff capacity, structure of

authorities and responsibilities, management systems, and culture to undertake programs at the high-flexibility end of the spectrum, even if the opportunity were provided. A donor that overcomes its own internal resistance to funding these kinds of high-flexibility programs, and simply outsources implementation to longstanding intermediary partners without attention to this challenge, is likely to be disappointed.

The solution is greater focus on this challenge among intermediary organizations, greater experimentation with alternative management solutions, and more exchange of experience within the community on this topic. As a start, the management sections of this paper discussed some of the challenges that the Foundation faced in managing and supporting a scaled-up program with many local country teams using a fully flexible searching approach to reform. This exercise led to the introduction of new tools, such as Strategy Testing, that are now being used elsewhere. The DFAT-TAF Coalitions for Change program in the Philippines is another setting where a different set of structures, practices, and innovative tools have been introduced.

FURTHER TESTING OF THE APPROACHES, CONCEPTS, AND TOOLS DEVELOPED FOR THIS CASE

In Sections 2 and 3 of this paper, we presented the core elements of a framework employed by the DFAT–TAF Partnership to overcome the challenges faced in implementing highly flexible programs. Similar challenges will be faced by any implementing organization dealing with programs of this kind. In the course of developing the regional management system, we introduced several new concepts and some fresh terminology. There is significant scope to test and build on this framework and these ideas. How useful is the framework presented in this paper for linking action to outcomes? Is the experience of teams in generating an internal learning process within programs and in dealing with key programming junctures, reflective of the experience of others who are implementing similar programs in other contexts? More examples would allow a greater degree of cross-case comparison.

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ANNEX I – BRIEF DESCRIPTION OF CASES

The observations and analysis presented in this paper have been drawn from a range of projects and programs, including several from the DFAT–TAF Partnership. These following brief descriptions give some indication of the core problems and elements of the solution that each program put forward. Almost all of these cases have full case studies available online or forthcoming (The Asia Foundation 2011; The Asia Foundation forthcoming 2016).

Development Entrepreneurship in the Philippines: Development Entrepreneurship is a program model developed by The Asia Foundation in the Philippines, primarily under USAID, and later Australian DFAT funding, that predated the DFAT–TAF Partnership. The approach has been successful in advancing reforms that opened up competition and reduced consumer prices in the airline industry, the telecoms industry, and inter-island shipping. The method has also been successful in improving funding for healthcare, through new taxes on alcohol and tobacco products, as well as increasing the annual issuance of land titles.

Urban Services Reform in Mongolia: In the capital city, Ulaanbaatar, a team supported efforts to improve living conditions in the unplanned settlements that are home to almost 15% of the city's population of approximately 1.4 million. From an initial focus on service delivery improvements, the program ultimately supported a variety of reforms, including improvements to solid waste management in the unplanned settlements, the introduction of a city-level economic development strategy, and administrative restructuring to improve service delivery overall. A key feature of this program was responsive and strategic programming to build trust and access to critical information about the city while experimenting with technical innovations and efforts to refine reform plans.

Urban Services Reform in Cambodia: In the capital city, Phnom Penh, the team undertook efforts to improve solid waste management in the city. The main service provider had significant political protection and a long-term contract, creating weak incentive to drive performance. This created a number of negative consequences for citizens. The program team worked to introduce greater competition into the solid waste management system. The team supported a coalition to achieve initial steps toward changing the solid waste management system, but reforms are ongoing.

Leather Sector Support in Bangladesh: In Bangladesh, the team focused on ensuring continued growth of the leather sector, one of the country's most important export industries. The current location of the leather tanneries prevented the development of modern facilities and the introduction of new technology to reduce the horrific pollution and negative health consequences for the local population, as well as allow successful business to expand. Many years of negotiation on moving the main tanneries from their current location to a more modern industrial area with proper effluent treatment facilities had yet to produce significant steps forward. The Foundation's team worked with a number of stakeholders to catalyze agreements to fund the new treatment plant, finance relocation, and agree on the terms of this transition. As a result of these agreements, a number of tanneries have moved, and the water treatment facility is expected to come on line in 2016.

Hydropower in Nepal: Nepal has vast untapped hydropower potential, which, if fully developed, could contribute to transforming the economy by reducing hydrocarbon imports and generating billions in revenues from the export of electricity. There are no major spoilers with fundamental interests in stalling hydropower development, but there are efforts by a range of powerful actors to position themselves to be the primary financial beneficiaries from development in this sector, which has brought progress almost to a standstill. The Foundation's Nepal team supported a well-networked local institution in implementing a strategy involving capacity and coalition building to shape incentives and solve problems when the reform process came up against new barriers to advancement. This reform process is still ongoing, and while there has been some progress in the sector, key changes are still needed for the rapid growth that is being sought.