2023 CLA CASE COMPETITION

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Case Title:

USAID/Peru's Adaptive Management in Rapidly Shifting Contexts

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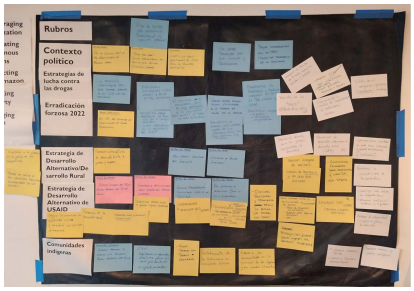

Summary:

Necessity is the mother of invention. So goes the saying, and so it was with USAID/Peru's 2022 Mid-course Stocktaking. Just 13 months after the approval of USAID/Peru's 2020-2025 CDCS, three dramatic events rapidly ushered in the biggest shift in programming context that Peru had experienced since the return to democracy twenty years prior. The first was the triple crisis of the COVID-19 pandemic, whose repercussions provoked a sudden erosion of living standards that undid decades of development progress. Second was a new government that had raised the prospect of ending collaboration with USAID during the campaign. And third was a series of new policies from the Biden Administration of particular relevance to Peru.

Fortunately, the Mission had laid the foundation for a robust CLA culture with a participatory CDCS development process in 2020. A strong Mission MEL Team, led by the Regional Program Office (RPO), included members of each technical office. Mission leadership in the Front Office and RPO were advocates for collaborative strategy processes based in evidence and learning. And the MEL platform implemented by EnCompass LLC with All In for Development brought deep skills in adult-centered facilitation and evidence generation, having become a "trusted advisor and critical friend" through facilitating CDCS workshops in 2020.

Together, these actors charted a course for an ambitious early stocktaking exercise that ultimately resulted in substantial changes in organizational structure and the theory of change. In so doing, the Mission not only lived the principles of adaptive management by making changes before the programming cycle would normally mandate, it also substantially advanced in its transformation into a mature learning organization with systematic pause and reflect processes and transparent decision-making.

1. **WHAT: What is the general context in which the case takes place? What organizational or development challenge(s) or opportunities prompted you to collaborate, learn, and/or adapt?**

USAID/Peru's 2020-2025 CDCS was approved in May 2020 during the nascent stages of the COVID-19 pandemic. However, the extent of the pandemic, its follow-on effects, and their impact on USAID programming would not be fully observed until well into the first year of CDCS implementation. Simultaneously, both the U.S. government and Peru experienced political shifts that affected the work of USAID/Peru. The change in administration in January 2021 brought significant shifts in U.S. government priorities, and USAID/Peru identified multiple opportunities to better align its development objectives with updated policies, including the USAID Climate Strategy 2022–2030 and the USAID Policy on Promoting the Rights of Indigenous Peoples (both with particular relevance to the Peruvian Amazon), as well as the U.S. Strategy for Gender Equity and Equality. Furthermore, as COVID-19 created new challenges for the Peruvian government, it also compounded the country's existing political instability.

In May 2021, senior advisors from the Monitoring, Evaluation, and Learning for Sustainability Activity (MELS) started flagging mounting evidence of the scope of the contextual shifts. Shortly thereafter, this confluence of events and new activities that were not yet reflected in the results framework led the USAID/Peru RPO and senior leadership to decide the CDCS merited a full Mission pause and reflect in the form of a Mid-Course Stocktaking (MCST). While more than a year earlier than usual and the first MCST for USAID/Peru, the strengths brought by each actor and the participatory foundation of the 2020 CDCS workshops facilitated in part by MELS positioned the Mission well for this ambitious undertaking.

2. **What two CLA Sub-Components are most clearly reflected in your case?**

Pause & Reflect

Decision-Making

3. **HOW: What steps did you take to apply CLA approaches to address the challenge or opportunity described above?**

USAID/Peru implemented the MCST in four phases, each contributing to its successful execution and completion. These were: (1) pre-launch strategic planning, (2) operational planning, (3) execution, and (4) finalization, culminating in the submission of the MCST memo to USAID/Washington.

During the strategic planning phase, the team identified key decision points to shape and frame the MCST. With support from MELS Platform, the Mission used these points to develop a roadmap that outlined the exercise's parameters, actors, tasks, and cross-cutting themes and strategies to ensure the results were grounded in the reality of Peruvian needs. To finalize the plan, the team also assessed available human and financial resources and information sources.

Next, the Mission moved to the operational planning phase and focused on mobilizing organizational structures, creating necessary tools, and orienting key technical offices, including Alternative Development (AD); Democracy, Human Rights and Governance (DRG); Regional Environment and Sustainable Growth (RESG); and the Regional Migration and Health Office (RMHO). The MELS Platform played a crucial role as a trusted advisor and implementer of activities throughout this phase. A Working Group composed of core members from the RPO and technical offices' MEL points of contact (POCs) was established to provide consultative feedback and guide the MCST process. The Working Group finalized a worksheet template to collect relevant data on the Peruvian context, the implementation progress-to-date, and the state of cross-cutting themes previously identified.

The execution phase primarily involved 25 people from key technical offices who completed worksheets and proposed updates to the results framework through continuous discussion and analysis of collective learning. The RPO organized a Mission-wide Midpoint Workshop to validate proposed changes, identify synergies between programs, and ensure cross-cutting priorities were incorporated. It also sought feedback from the Bureau for Latin America and the Caribbean Strategy and Program Office (LAC/SPO). The findings and products of the process were shared and discussed at a Final Mission-wide Meeting. Throughout this phase, the team continually returned to the key framing lens developed in the strategic planning phase.

In the finalization phase, the RPO took the lead in drafting, finalizing, and submitting the MCST memo, which outlined the Mission's proposed process and changes. This phase included an after-action review to document the entire process, complete with notes from weekly RPO meetings, for future learning.

Given the flexibility to structure the process itself, the RPO prioritized an inclusive and participatory process that involved internal actors across the Mission, as well as experts outside of USAID. The Working Group membership structure prioritized engagement of the RPO and MEL POCs for each technical office, while creating co-leadership between Foreign Service Officers (FSOs) and Foreign Service Nationals (FSNs) to help guarantee strong participation and representation throughout the process. In turn, teams in charge of revising development objectives surveyed implementing partners, while the Mission consulted the GoP to incorporate its points of view in the final, revised CDCS. The entire collaborative process was carried out virtually, under the "new normal" circumstances of the pandemic, adapting the MELS Platform team's expertise in facilitating participatory events to novel digital platforms and other modes of virtual collaboration.

4. RESULTS: Choose one of the following questions to answer.

We know you may have answers in mind for both questions; However please choose one to highlight as part of this case story

A. DEVELOPM ENT RESULTS

The key development result is a CDCS more tailored to the shifting reality of the U.S. and Peruvian contexts; and a more relevant results framework, able to respond to Peru's emerging development needs. For example, the Mission's contribution to the USAID Climate Strategy was expanded to include different DO teams' synergistic work in support of Peru's climate change adaptation and mitigation efforts. This was done through cross-office activities on topics such as reducing deforestation in AD focus areas; and protecting the rights of environmental defenders, while using a third DO as a focal point to advance the entire portfolio toward climate goals. The revised CDCS increases consideration of the rights, priorities, and interests of Indigenous Peoples (IP) across USAID/Peru's portfolio, recognizing their increasingly important role in countering illicit activities and defending forest lands. In response to USAID's Localization Policy, the CDCS emphasizes support for locally led development, building emergent local capacities that may assume increasing roles in program implementation. While it increases synergies across DOs, the CDCS also allows for course corrections at the individual DO level, including by: expanding Mission presence in areas where coca production is increasing, depending on security risks; gradually transitioning existing public-private partnerships to local, private sector–led activities; and integrating climate-smart solutions in the design of new activities. A Special Development Objective was also created to more effectively respond to the influx of migrants from Venezuela. The CDCS also prioritized the Mission's increasing health interventions, such as COVID-19 response. The Mission developed these changes in consultation with key experts and implementing partners, thus ensuring buy-in for the new priorities.

The MCST process also resulted in management adjustments to improve implementation; reevaluation of budget scenarios; lessons-learned on the significant changes in Peru's development context, and their impact on program implementation; and analysis on key issues that will inform future implementation.

5. **ENABLING CONDITIONS: How have enabling conditions - resources (time/money/staff), organizational culture, or business/work processes - influenced your results? How would you advise others to navigate any challenges you may have faced?**

A culture of adaptive management meant the Mission recognized a unique opportunity to realign its work with a shifting context, while leading it to purposefully prioritize inclusive processes and to make concerted efforts to reduce burden on key actors.

The Mission could have focused all its efforts on responding to the urgent confluence of political, economic, and social challenges reverberating throughout its objectives and portfolio. However, USAID/Peru purposefully cultivates a culture of openness, self-reflection, and adaptive management. This allowed the Mission to recognize an opportunity to better align its guiding document to emerging challenges. Mission staff did not hesitate to go beyond standard procedures, and devote key resources to reflecting on core priorities and ensuring their portfolio's fundamental contributions aligned with country and Agency priorities. All parties were eager to share lessons learned, consider alternatives, and alter the course of action.

This culture of adaptive management also guided USAID/Peru in creating participatory processes that were not excessively burdensome on collaborators. The Mission knew that to produce relevant, actionable CDCS revisions, it needed the expertise of as many stakeholders as possible, even as teams juggled multiple competing priorities. To minimize burden, the Mission identified the most critical input needed from each team at each stage of the process, and offered flexibility in tasks and timelines. The team used weekly, RPO-led meetings to review and adapt the MCST process according to the needs and emerging findings of each technical office. Mission staff also reduced burden and facilitated effective support throughout the aforementioned processes by relying, whenever possible, on the Mission's MELS Platform for critical inputs.