Twenty-seven years ago, Ole Therkildsen’s study of water projects in Tanzania (Therkildsen 1988) contributed to a compelling argument about the importance of uncertainty in development interventions. Based on a close examination of the experience of five donors between the mid-1970s and mid-1980s, the book provided one of the best documented examples of the waste and disappointing development results produced by control-oriented project-planning approaches. It provided a particularly clear explanation of the unrealistic assumptions underlying the blueprint planning approach of the donors, as well as a characteristically shrewd appreciation of the political barriers standing in the way of the recommended alternative: an adaptive-planning or learning-process approach.

By the end of the 1980s, the intellectual debate about blueprint versus adaptive planning had been decisively won by advocates of the latter. Therkildsen’s book built on foundations laid by Korten (1980) and Rondinelli (1983) among others. It was followed up in another outstanding case study in control-oriented development failure, this time about a resettlement scheme in Kenya (Porter et al. 1991). Eventually, some donors began to fund ‘process projects’, prompting in due course some serious reflection on the particular challenges they pose (Mosse et al. 1998). However, much of this learning was swept aside as new concerns came to the fore.
By the time Therkildsen’s book appeared, donor priorities in Africa were already shifting from poverty-focused projects to promoting policy change. The perception was that projects were failing largely because of unfavourable conditions in the macro-economy, which was true (see, among others Kleemeier 1983). However, one effect of the new emphasis on improving policy was to sideline discussion of other reasons for weak project performance. In turn, as policy frameworks began to improve, attention shifted to flexible funding, sector-wide approaches and budget support, with the emphasis moving towards social-sector provision and away from infrastructure and livelihoods. While much of this aid continued to be projectised, little of the previous experience in project design was transferred across to the new modalities. Some very significant learning was effectively forgotten.

Today we have come full circle. Improving policies beyond the basics has proved extremely hard using conventional aid modalities. Bio-medical innovations have been translated into major breakthroughs in some important areas of human development. On the other hand, funding the expansion of public services has proven to be no guarantee of reasonable quality or improved outcomes. Disillusionment with budget support is widespread. New species of white elephant are being fed and watered by donors. And, as in the 1980s, numerous voices are pointing to unresolved problems and suggesting alternative ways of doing things.

There are two linked strands in the current disaffection with aid practice. One is the irrefutable importance of acquiring a deeper understanding of the country contexts in which external development assistance is expected to work. The other is about the gains to be made, in almost all contexts, from recognising complexity, abandoning a blueprint-planning approach and beginning to act in a learning-process way.

This chapter provides some reflections on the implications of this history for the future of development assistance. It begins by recognising some significant differences between the 1980s debate and the discussions now under way. It then points to substantial continuities, which raises the question of whether the prospects are better now than they were then for widespread adoption of the recommended adaptive approach to programming. The answer offered is that they are significantly better. This is both because in several respects the intellectual context is more favourable and because a body of evidence is building up on the achievements that are possible when aid-funded interventions become both context-sensitive and adaptive.
A significantly changed context?

In one important respect, the context of the debate is now different because one of the strands in the argument that Therkildsen and others were making did come to be influential and was adopted into mainstream donor thinking. This is the strand referring to the donor practice of by-passing official country systems and organisations.

Therkildsen’s overall thesis was about the counter-productive effects of the desire of water-sector donors to maximise control over project activities and the illusion that a high level of managerial control is the best way of ensuring the delivery of project outputs and outcomes. One of the effects of this control-orientation was a marked tendency to avoid contact with Tanzanian government systems and local organisations:

\[\ldots\text{bypassing of local institutions is based on the assumption that the lack of recipient capacity to plan and implement can be efficiently substituted by technical assistance staff in the short run without serious long-term consequences. (Therkildsen 1988: 17)}\]

The approach was deliberately technocratic. It rested on the assumption that predictability of results would be best achieved by ignoring the political economy of the country at the planning stage and leaving relations with project beneficiaries to be handled by implementation teams. User participation in shaping the schemes played a minor role,

\[\ldots\text{partly because user participation may conflict with the desire by donors and the recipient [i.e., the Government of Tanzania] to control activities from above; and partly because it is assumed that planned activities will fit beneficiary needs, and that user acceptance, resource commitments and knowledge can be mobilized at will if and when needed. (ibid.)}\]

Not surprisingly, this approach generated a great many unpredicted events which interfered substantially with the roll-out of the technical programme. In due course, the lack of proper engagement with the beneficiary communities led to the multiplication of broken-down, non-functional water sources. Project outcomes were
compromised because, rather than reducing uncertainty, by-passing country institutions increased the risks of serious project failure.

About this particular issue, the international community has certainly learned a few lessons. The risks arising from bypassing country systems and the gains from taking beneficiary participation seriously did pass into the conventional wisdom of the development business. Participatory appraisal and evaluation, stakeholder analysis and related techniques were increasingly adopted in social-infrastructure and natural-resource interventions, including the next generation of local projects in Tanzania. Then other parts of Therkildsen’s argument reappeared in new contexts as preferred aid modalities shifted in the 1990s. Together with another theme of the 1980s project literature – that the proliferation of donor projects which bypass local systems and organisations can actually do harm to the institutional fabric of a country (Morss 1984; Gow and Morss 1988) – it created the basis for a new consensus among donors on the importance of country ‘ownership’ of development interventions. The ‘ownership’ concept, first articulated by Johnson and Wasty (1993) in connection with World Bank adjustment lending, became an article of donor faith by the 2000s, and it is still widely adhered to.

This needs some qualification, however. The 1980s critics, Therkildsen among them, linked their appeals for serious, early engagement with local institutions to advocacy of an adaptive approach to aid interventions. In a genuinely adaptive approach, there is the room to find ways of working with or around the interest conflicts and other unpredictable eventualities that such engagement typically throws up. When working with country systems and supporting country ownership became the order of the day, from 1999 with poverty-reduction strategies and from 2005 with the Paris Declaration on Aid Effectiveness, it no longer contained this element. Donor thinking these days is certainly less technocratic and more aware of institutional issues. However, the way donors ‘support country ownership’ typically involves the formal negotiation of some blueprint or other with government counterparts. In this context, donor illusions about the advantages of having a good plan are alive and well.

In sum, the move away from projects and the adoption of ‘country ownership’ does provide a different setting for debates about aid approaches. But this makes advocacy of context sensitivity and adaptive planning more pertinent and important, not less. The basic arguments and core issues remain the same.
Enduring issues

Faith in the formal type of support to ‘country-owned development’ persists in spite of both a growing awareness among donor agencies of the importance of basing programming on a good understanding of the country context (especially its political dimensions) and an accumulation of evidence on the superiority of process designs. The story of the ‘almost revolution’ of development aid’s efforts to come to terms with politics in recipient countries has been expertly told by Carothers and de Gramont (2013) and does not need to be repeated here. As discussed further on, the steadily growing awareness in the aid business of concepts for understanding and responding to differences in country context helps to create favourable conditions for the uptake of ideas about adaptive planning. But the one does not necessarily imply the other. A key recent development is the willingness in some international quarters to move on, as Rocha Menocal (2014) puts it, from ‘thinking politically’ to ‘working differently’. The meaning being given here to ‘working differently’ recapituless much of Therkildsen’s 1988 alternative to control-oriented planning.

The evidence base for the new thinking is diverse, and some of it is quite recent. Over a relatively extended period, experience in parts of Latin America and Asia has illustrated the power of agile, politically smart and adaptive approaches to developmental reform. When well-placed actors, with or without discreet support from funding agencies, facilitate processes of change without the hindrance of a pre-established campaign plan, they can achieve remarkable results (Grindle 2002; Asia Foundation 2011). Surveys of other documented experience have led different communities of practice to advocate what they have called ‘problem-driven iterative adaptation’ (PDIA) (Andrews 2013, Andrews et al. 2013), ‘politically smart, locally led’ development (PSLL) (Booth and Chambers 2014; Booth and Unsworth 2014), or ‘development entrepreneurship’ (Faustino 2012; Faustino and Booth 2015). Although the labels are different – partly because the experiences surveyed operate in different sectors and on different scales, and address a variety of development challenges – these summaries are fundamentally consistent both with each other and with Therkildsen’s 1980s thinking about projects.

A good way to illustrate the basic philosophical convergence among these proposals is to consider how they respond to the typical objection raised inside large bureaucratic organisations. To the development bureaucrat, the adaptive approach can seem less reliable, or more uncertain, and therefore harder to defend, than the conventional approach to planning and implementation. So a common view is that adaptive methods may have some advantages but are never going to be adopted into the mainstream of agency practice or endorsed by senior managers or ministers.
The appropriate response, in the 1980s and still today, is that uncertainty is a feature of the operating environment, not the result of the method. The method is precisely a way of contending with the prevailing uncertainty, so that the risks are reduced and results are able to be achieved despite them. Here is how Therkildsen responded to objections of this type in 1988:

In contrast to the control-oriented approach, the adaptive one appears to be an argument for murky generalities. This is a misconception. Compared to the control-oriented approach, the adaptive approach emphasizes:

- the formulation of long-term policies and strategies rather than long-term targets;
- continuous planning linked to implementation, rather than extensive and detailed pre-implementation planning followed by implementations with limited monitoring;
- the regular monitoring and formative evaluation to detect and learn from errors on a continuous basis, rather than periodic external evaluations;
- continuous dialogue with intended beneficiaries to adjust activities to their needs, knowledge and resource commitments, rather than provision of services. (Therkildsen 1988: 208)

Now consider the recently influential formulation by Andrews and colleagues:

The four elements [of Problem-Driven Iterative Adaptation, PDIA] are that activities should

- aim to solve particular problems in particular local contexts, as nominated and prioritized by local actors, via
- the creation of an ‘authorizing environment’ for decision-making that encourages experimentation and ‘positive deviance,’ which gives rise to active, ongoing and experiential (and experimental) learning and the iterative feedback of lessons into new solutions, doing so by engaging broad sets of agents to ensure that reforms are viable, legitimate, and relevant – that is, are politically supportable and practically implementable. (Andrews et al. 2013: 237)
Finally, the idea of development entrepreneurship takes inspiration from the way risk is handled in the field of business start-ups. Summarising Sims (2011), Faustino and Booth (2015) argue that successful innovation comes from making a series of little bets about what might be a good direction, learning from the failures of the experiments and from small but highly significant wins. The method can be summarised as:

1. Experiment: learn by doing, with small prototypes.
2. Play: Stimulate creativity through play and humour.
3. Immerse: Get insights and ideas from the ground up.
5. Reorient: Be flexible and pivot when necessary.
6. Iterate: Repeat, refine and test assumptions. (ibid.: 13)

The central idea that is common to these otherwise diverse formulations is that by far the safest and least risky way of dealing with the uncertainties that characterise complex fields of activity is to adopt a flexible, iterative and adaptive way of working. Counter-intuitively, blueprint planning is more risky because it makes large bets and leaves little or no room for salvaging resources when things start to go wrong.

**Improved prospects?**

If, as this suggests, the flood of recent writing advocating adaptive or entrepreneurial approaches to development work is drawing attention to some longstanding findings that have been ‘forgotten’ by the development establishment, this begs a question: are the prospects of these insights becoming adopted into the mainstream of thinking and practice any better this time around?

In two major respects, I would argue, they are better. First, the intellectual climate is more supportive. To begin with, the place of uncertainty in human affairs generally is much more widely and explicitly recognised than in the 1980s. The literature on ‘complexity’ and the corresponding need for learning by doing is huge. Development is actually one of the few fields in which this thinking has had only limited influence, as argued in a string of recent publications (Harford 2011; Hummelbrunner and Jones 2013; Ramalingam 2013; Root 2013). These days, those larger development agencies that have some claim to be considered learning organisations tend to respond defensively when the need for ‘smarter’ planning methods is raised as an issue. They know they are in a minority.
Another relevant feature of the intellectual environment is the steady growth of comparative studies and conceptual tools for making sense of the country contexts in which donors work. During the first wave of donor interest in better understandings of country political contexts, the emphasis in most commissioned political economy studies, as well as in mainstream academic research, was on the common features of clientelist or neopatrimonial systems. The key thing at that stage was to appreciate that the politics and economics of the typical aid-receiving country could not be understood as just immature versions of the politics and economics of Sweden or the USA. The formal façade of constitutional rules, laws and regulations might lend itself to that interpretation, but the façade was not the reality. This was, and is, important to say, but by the second decade of the 21st century, several comparative research programmes were generating useful typologies of neopatrimonial political regimes (Kelsall 2013), political-economic trajectories (Levy 2014) or ‘political settlements’ (Khan 2010, Whitfield and Therkildsen 2011, Whitfield et al. 2015), together providing the basis for finer grained appreciations of country context.

Although this typological effort remains very much work in progress, it already marks an important step forward. It goes some way to meeting Grindle’s (2011) complaint that governance researchers expect development practitioners to approach every country context afresh without the benefit of mid-range theoretical guidance. It also means that those arguing for adaptive approaches on the basis of complexity and uncertainty are able to add the rider that the form this should take will vary systematically with context. One of the reasons why interventions will work better if they are politically smart, not formulaic, and locally led is that ways of working need to be adjusted to the prevailing political economy, and in ways that outsiders may not easily grasp.

In these several respects, I suggest, the intellectual case for adaptive working is better supported. A second favourable factor this time around is that we understand more about how to give the approach a feasible operational form.

None of this is easy, of course. In his 1988 book, Therkildsen concluded with the observation that, notwithstanding their inability to generate sustainable benefits on the ground, control-oriented projects might result in faster disbursements of aid to Tanzania and would be attractive to the authorities on those grounds alone. ‘The challenge for Tanzania’, he wrote, ‘is to find the trade-off between buckets full of aid money and buckets full of water!’ (Therkildsen 1988: 209). In 2013, Andrews et al. presented PDIA as the alternative to reform dynamics characterised by ‘isomorphic mimicry’ – ‘the tendency to introduce reforms that enhance an entity’s external le-
gitimacy and support, even when they do not demonstrably improve performance' (2013: 234-235). In other words, the aid relationship – especially when donors are under pressure to disburse and the rulers of countries are more interested in aid flows than in their results – continues today, as in the 1980s, to work strongly against recognising the evidence regarding what works.

At the same time, we have become better at finding ways around or ways of limiting this constraint. For sure, the evidence is mixed. Of the seven experiences of ‘politically smart, locally led’ (PSLL) development analysed by Booth and Unsworth (2014), four were directly funded DFID programmes. Those were able to take a PSLL approach, including a strong element of adaptive iteration, for various particular reasons of location and timing. The authors admit that it is doubtful whether these features that set these programmes apart would have been so easily approved for funding under DFID’s current rules. Some analogous reservations have been noted in connection with the successes of SAVI, a state-level governance initiative in Nigeria (2008-2016). This programme has been able to break with convention and pioneer a PSLL approach inspired in earlier experience with natural resource management projects (Derbyshire and Mwamba 2013, Derbyshire et al. 2014). However, the processes in DFID that allowed this to happen were unusual (Booth and Chambers 2014). It may be that exceptional circumstances, and/or an exceptional contribution from individual ‘intrapreneurs’ within funding agencies, are the sine qua non of PDIA under direct donor funding.

On the other hand, successful cases of indirect funding are beginning to be documented. These are potentially a means of spreading the PDIA or development entrepreneurship model without the need for any special circumstances other than the availability of intermediary organisations of sufficient quality. In the PSLL set, three of the success stories were cases where donors allowed PDIA to happen by providing grants to intermediary organisations which in turn identified and supported front-line organisations with their own ideas about facilitating change and their own motivations for doing so. In these experiences, one in the Democratic Republic of Congo and two in the Philippines, the burden of reporting to the donor and complying with the donor’s current accountability requirements was entirely assumed by the intermediary organisation, while the intermediary’s contributions to the front line included small amounts of funding and large amounts of mentoring, steering and encouragement carried out in a PDIA spirit. These are documented working models, not hypothetical conjectures. They suggest we know not only what to do but also how to do it.
What to do and how to do it: experience from the Philippines

As illustrated by some of the spectacularly successful examples of reform in the Philippines (Asia Foundation 2011; Booth 2014; Sidel 2014), the development entrepreneurship approach sponsored by the Asia Foundation does not revert to by-passing government. The reform alliances and ginger groups that do the work generally include government officials, as well as former officials and independent actors with non-profit or private-sector backgrounds. However, what they do avoid is the type of formally negotiated agreement with a government department that elicits ‘signalling’ behaviour and isomorphic mimicry from government and implementing contractors, and that binds all parties into an inflexible implementation schedule with limited scope for learning by doing. In at least one of these case studies, the results of the two approaches can be compared side by side, providing a useful counterfactual.

The experience in question was the successful reform of the law on residential property rights in the Philippines. By replacing a slow and expensive legal process for issuing land titles with a fast and cheap administrative procedure, the Residential Free Patent law of 2010 enabled a 1,400% increase in urban land titling rates without any increase in the staffing of the government agency responsible. The resulting cumulative improvements in security of tenure are expected to have economic, social and political benefits, including increased investment in property improvements, fewer family conflicts and reduced dependence of poor families on unscrupulous political bosses. The legal change was the result of patient work by a multi-skilled reform team with good networks inside and outside the executive and legislative branches of government and various business associations. Over a five-year period, this team and its principal enabler, Jaime Faustino of the Asia Foundation, defined and refined the reform objective – looking for an approach that would be both technically sound and politically feasible – and then set about discovering a way of getting it adopted.

This meant searching out potential supporters among the political elite, dealing with their objections and convincing them to spend scarce political capital on getting the measure through the various stages of the congressional approval process. The searching process was informed, naturally, by a good understanding of the way politics works in the Philippines, including an appreciation of the particular strengths and weaknesses of its competitive and ‘oligarchic’ clientelism.
The reform team was supported with modest and discontinuous funding from US-AID and Australian aid sources. It was largely self-motivated and self-disciplined. It achieved a much more substantial result than an expensive, nine-year programme funded by the World Bank and the Australians called the Land Administration and Management Project (LAMP). LAMP, which ran in parallel with the successful reform initiative, took the classic form of a donor-funded public-sector reform programme. It was comprehensive, aimed to establish ‘best practice’ procedures and was based on a formal agreement between the funders and counterpart agencies in the Government of the Philippines. It had plenty of formal government ownership but was informally resisted by some key counterparts, resulting in dead-slow implementation and few of the intended results. It was closed prematurely.

This experience is particularly telling because it leaves no doubt that the results achieved were the product of the innovative way of working and of using aid that was adopted. It is, however, not the only example confirming that we know how to institutionalise PDIA in countries with challenging political economies. The Residential Free Patent experience is one of half-a-dozen reform experiences that the Asia Foundation has supported in the Philippines using essentially the same method (Asia Foundation 2011).

Of these other initiatives, the 2012 ‘sin tax law’ is particularly striking. The reform issue was the low and declining real value of excise taxes from tobacco and alcohol sales, combined with the need for more public subsidies to the Aquino administration’s health insurance scheme. According to the same formula, donor funds from USAID and Australia were deployed, through the Asia Foundation, to identify and support a multi-skilled team of national reformers. The reform team provided bridges among several pro-reform constituencies, including the government’s Departments of Finance and Health, individual cabinet members and legislators, anti-smoking advocates, medical pressure groups and business associations both in the Philippines and internationally. Providing a kind of secretariat to this informal coalition, it shaped the reform in ways that divided an initially overwhelming opposition to higher taxes, led by the Philip Morris Corporation. Working iteratively and changing course several times in the light of experience, the team tweaked the details of the law to buy off opponents, including the congressional representatives of tobacco-growing areas, working with the grain of the Philippines political system. The law was eventually passed against fierce resistance from the congressional representatives of the tobacco lobby and by a narrow margin. It led to the collection of an additional US$1.18 billion in revenue in 2013, the lion’s share of which has been earmarked for the health insurance of poor families.
Importantly, these experiences in the Philippines not only confirm that adaptive ways of working can be operationalised effectively; they also show that the idea of big agencies supporting development in this innovative fashion is not as radical as might appear. American and Australian aid officials not only agreed to fund the initiatives; they actively created the spaces in which the approach was developed and rightly took some credit within their organisations when results were achieved. This is a model that could and should be emulated by others and tried out elsewhere.

Conclusion

There are those who disparage the current advocacy about PDIA and PSLL by saying that there is nothing new here – it has all been said before. This has not been my argument in this paper. It is one thing for something to have been said, and quite another for it to have been adopted in a way that has significant effects. It is nonetheless of interest to note that ideas have precursors and that the development business in particular has a severe tendency to forget things that it has learned, with key insights leaving and returning in cycles.

The need for development interventions to be treated as learning processes is a notable example of this chronic tendency. Ole Therkildsen is one of those who did say it all before, and he said it rather well. Among the things we have discovered since, I suggest, is how to operationalise this approach in an aid community that has learned something about country ownership, and a bit about politics, but has forgotten what it once knew about the perils of blueprint planning. We now have operational models for applying the basic idea of adaptive planning, with appropriate adjustments, to current development challenges in a range of country contexts, in Africa as well as Asia. Consequently, it is less easy to claim that it cannot be done. All this should give us new energy and hope.

Note

1 I am grateful for very helpful comments on a draft by Lars Buur, Jaime Faustino, Tim Kelsall and Anne Mette Kjaer, but I remain responsible for the final form and content of the paper.
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