

Towards more flexible livelihoods programming

Guidance for policymakers and donors



Introduction

This guidance highlights the practical steps for donors and policymakers to enable flexibility within recovery programmes that build livelihoods in fragile contexts. It includes components that foster institutional, operational and relational flexibility (the three aspects of flexibility that are needed to create flexible aid systems). Findings are largely based on the experiences of programmes funded by the Dutch MFA, but can be applied more broadly to other donor programmes. The goal is to help the audience understand the basic conditions for flexibility, as well as actions and considerations at each stage of the process, from preparation and planning, to proposal writing and contracts, to implementation and monitoring.

Who is this guidance for?

This guidance is intended for use by policymakers at ministries, embassies and donor organizations.

How to use this guidance

The guidance should be approached in an action-oriented way to work towards embedding flexible practices/processes into organisations and programmes operating in fragile contexts. Users are recommended to refer to the relevant steps at each stage of the project cycle, and use it as a checklist to see if they have covered all the aspects (and if not, discuss what actions can be taken). The examples given are either existing projects or descriptive examples of what sorts of things are needed based on the interview and literature findings. Beyond assessing programmes and organizations, it is recommended that users take this guidance as a tool to build the capacities of teams throughout organizations to implement flexible programming (refer to the main capabilities below).

What is flexibility?

Flexibility is about changing the way a programme or project is implemented when contexts change, or when organizations learn more about what is needed in a certain situation. For the purpose of this guidance it is about being able to shift when crisis erupts in fragile contexts where an organization is implementing recovery and livelihoods programming. This guide helps organizations prepare for this situation so that they can respond to crises but also shift back to locally-led recovery and resilient work when a crisis subsides. The next page has a quick overview of the types and levels of flexibility that exist for programmes, as well as the main capabilities needed for teams implementing flexible programmes. For a more in-depth discussion of flexibility, please refer to the lessons learned report that is at the basis of this guidance.

Different aspects of flexibility

Types and levels of flexibility needed in programmes

- 1 Institutional flexibility** involves building flexible frameworks and practices into nexus-style programming approaches, such as results-based financing, flexible budget arrangements and negotiation clauses in contracts. It is mostly relevant at the level of donors, INGOs, and other enabling organisations.
- 2 Operational flexibility** relates to how implementation supports or inhibits flexible programming in practice, for example, through risk management strategies, innovative MEL approaches, and procurement/logistics planning. It mostly applies to ground staff, local implementing partners and INGOs.

- 3 Relational flexibility** involves partnership structures for enabling flexibility, including tools for trust building and transparent communication, clear roles and responsibilities, and equality in partnerships. It is relevant for actors across the aid chain.

Main capabilities involved in being flexible

- 1 Knowing when to change:** Identifying the right timing and the right motivation for changing what, where and how programme activities are delivered. This involves using risk assessment tools to recognise when a certain trigger or threshold has been reached. These decisions should be based on accurate and updated information.
- 2 Deciding on what change:** Identifying the correct pivot to make, and which strategy works best in which moment. This could be redirecting or expanding assistance to new target groups and locations, rapidly switching activities or scaling up/down to suit needs and risks, or altering the planned timeframe. It requires a strong understanding of the context and an awareness of different options.
- 3 Implementing the change:** Bringing about the change by mobilising or shifting resources, adjusting plans and activities to suit the new context and priorities, and following this up with clear rationale and reporting to donors. This reprogramming has a strong human component, needing people to lead and enact change and trust in them to do so.

Checklist flexible programming



1

Building flexible institutions

- Are guidelines for programme results tailored to fragile contexts?
- Are we using the right tools for balancing risk and results?
- Is the right funding modality used?
- Can a longer term contract increase effectiveness?

2

Building flexible working cultures

- Which colleagues are knowledgeable about flexibility?
- When and how do we communicate the successes of flexibility in our organization?

5

Donor partner relations

- What frequency of communication and reporting facilitates flexibility as well as accountability?
- How can local partners be equally empowered to suggest change?

4

Contracts

- Are protocols for decision making in place for when flexibility is needed?
- What decisions do and do not require prior approval?
- How can we prioritize outcomes and reward transparency about deviations?

3

Budgets

- How can flexibility be facilitated in the budget framework?
- Can a budget for learning improve effectiveness and accountability of flexibility?



6

Funding arrangements

- Can local NGOs access emergency funding when needed?
- Does the payment structure facilitate flexibility in emergencies?

7

Monitoring and reporting

- At what level of results are quantitative benchmarks essential?
- How often should the implementer give updates on risks?
Can we include learning on indirect results?

8

Evaluations

- How will you assess the effect of flexibility?
- How can interim results be used for flexibility?



Preparation & planning phase (Conditions for flexibility)

Issue	Step	Explanation	Examples, resources and tools
1 Building flexible institutions	Review and adapt programme management guidelines for fragile contexts	Tailor the approach to recovery programmes in countries affected by war, conflict and disaster, given that the operating environment can change significantly throughout the project.	<ul style="list-style-type: none"> An ODI learning report on adaptive portfolio management discusses how to take a broader perspective to manage investments in a way that balances short- and longer-term objectives, risks, opportunities, capacities and resources; and facilitates tactical and strategic adaptation within and across projects. A 2021 study Value for money and adaptive programming: approaches, measures and management discusses how to control costs and holding implementers accountable for efficient delivery while accounting for complex situations.
	Create flexible programming tools	Keep clear rules about budgets and compliance, but make them malleable so that they work in each context. This can be done by developing flexible subsidy frameworks, flexible results frameworks, and risk-sharing mechanisms.	<ul style="list-style-type: none"> The BEAM exchange have multiple resources for guiding thinking and management in a way that embraces higher levels of risk and uncertainty. The Global learning for adaptive management (GLAM) initiative have many tools for choosing suitable approaches for flexible programming and incentivising adaptive management.
	Explore flexible funding options	There are increasing opportunities for joint funding modalities such as multi-lateral pooled funds with other donors. These funding instruments	<ul style="list-style-type: none"> An OECD Development finance brief discusses the use and impacts of 4 kinds of pooled funds: country-specific programmatic funding; global or regional programmatic funding; country-specific project-type funding; and global or regional project-type funding.



Preparation & planning phase (Conditions for flexibility)

Building flexible institutions	Explore flexible funding options	help to increase the predictability and continuity of funding, and can be drawn upon for temporary changes to deal with crisis situations.	<ul style="list-style-type: none"> A recent paper by INTRACT and Laudes discusses how to transform funding by using core grants in a way that achieves the objectives of both donors and practitioners.
	Pursuing longer-term contracts	Multi-year contracts (at least 3-5 years) with INGOs (and if possible local NGOs) allows for greater learning, adjustment and trust building to facilitate flexible approaches.	
2 Building flexible working cultures	Flexible leadership	Having people (or optimally groups of people) within the organisation who are knowledgeable and proactive about flexible approaches can help to streamline responses, follow flexibility guidelines, and make sure that flexible planning results in flexible action.	<ul style="list-style-type: none"> Set up diverse learning groups at the ministry (including embassy representatives and knowledge platforms) to gather local knowledge, provide evidence on flexible approaches to different departments, and contribute to policy discussions on this topic. The EU and Swiss government set up a <u>nexus task force in Chad</u>, including bilateral donors and development banks, using OECD-DAC recommendations as a common language and method framework for monitoring activities linked to relief, recovery and development. A similar task force was set up in Cameroon by the UNDP and OCHA with government representatives, INGOs and local NGOs.
	Organisational awareness	Sharing evidence on the value of flexible approaches can promote adaptation as success rather than failure, and embed the message that accountability and flexibility are not incompatible goals.	<ul style="list-style-type: none"> Hold lunch meetings or workshops to discuss issues surrounding flexible programming Report on flexibility to teams during annual meetings Share cases of flexibility within newsletters Disseminate evidence from impact and learning case studies



Proposal writing & contract phase

Issue	Step	Explanation	Examples, resources and tools
3 Budgets	Applying the right budget framework	Discuss with the programme manager and donor budget department what type of budget framework works in that particular context, given the assessment of risks in the proposal.	<ul style="list-style-type: none"> One project might be better suited to having a contingency fund arranged during the planning phase that can be drawn upon in order to keep activities running during emergencies. Another project might fit better with having a no cost extension during implementation if they run into significant delays.
	Budgets for learning	Set aside some budget for learning and impact case studies, which help to improve the specific programme, inform flexible programming more generally, and provide accountability of spending.	
4 Contracts	Roles and responsibilities	Having clear protocols in place for being flexible, and knowing who does what (the donor, INGO and, if possible at this stage, local partners), prevents delays and internal conflicts when the need for flexibility arises.	<ul style="list-style-type: none"> Who gets to make the calls in which scenarios? Ensure that local actors have sufficient autonomy to make decisions. Who assumes what type/level of risk?
	Margins for renegotiation	Set a limit on decisions that do not need approval beforehand, but only reporting after, and discuss how much room for manoeuvre there is in the budget. This is to avoid things having	<ul style="list-style-type: none"> You might agree that further discussion is needed to conduct activities that are not directly related to livelihoods, or that require a significant shift in strategy, but not, for example, to switch to a neighbouring location or to distributing a different kind of farming input, so long as the beneficiaries are the same.



Contracts	Margins for renegotiation	blanket funding or lack of continuity in programmes. The goal is that all parties are comfortable with the level of risk-sharing and autonomy, and changes are not outside what is deemed acceptable (beyond the scope of that ministry or budget line).	<ul style="list-style-type: none"> It is common that up to 10% of the budget, implementers are free to move how they see fit, but over this they need donor approval. Many practitioners have suggested increasing this amount.
	Emphasise outcomes	Make it clear as a donor that you reward outcomes and transparency.	<ul style="list-style-type: none"> Enter a clause that you will not drop or sanction a partner for deviating from the original plan, so long as these deviations are in line with the overall objectives of the programme and continue to serve livelihood and food security needs of target populations.
5 Donor partner relations	Information sharing	Set up feedback loops (make these as short / direct as possible) and agree on what works for everyone in terms of reporting.	<ul style="list-style-type: none"> Decide on e.g. how often you will be reported back to, how long after a change occurs you will be informed, what level of detail is required, and what information / support you can provide in return. In the IRC and Mercy Corps' <u>ADAPT programme in Sierra Leone</u>, a complicated decision-making chain and lack of timely and transparent communication with the fund manager and the donor left the project on standby during the Ebola outbreak.
	Equal partnerships	Place equal value on local and higher-level knowledge and capacities. This helps to build trust in each other's decisions and give partners the confidence to flag when something is not working.	<ul style="list-style-type: none"> From the outset, emphasise honest communication and finding joint solutions to problems, in order to move from a paternalistic relationship to one where all partners offer input, experiences and value.



Implementation & monitoring phase

Issue	Step	Explanation	Examples, resources and tools
6 Funding arrangements	Ensuring accessible budgets	Transfer budgets in advance to local NGOs, or at least ensure that emergency transactions can be carried out fast and efficiently from INGOs to local NGOs	<ul style="list-style-type: none"> In the <u>Oxfam Novib Crisis Modifier pilot project</u> starting in 2020, a lump sum of 33,000 euros was transferred to all 8 local partners in advance to avoid the complicated transfer process and give them the capacity to respond at short notice. This was so successful that they increased the amount in 2021 to 40,000 euros.
	Adapt the payment structure	Shift from giving payments by activity milestone and predetermined targets towards rewarding outcomes and good decisions.	<ul style="list-style-type: none"> This was the approach used in the <u>ADAPT programme in Sierra Leone</u> led by the IRC and Mercy Corps.
7 Monitoring and reporting	Focus on higher-level outcomes	Demand tight reporting (adherence to specified quantitative benchmarks or targets) only on the higher-level programme objectives rather than demanding specific outputs and activities.	<ul style="list-style-type: none"> This is already the case in many Dutch-funded programmes initiated since 2016, when the MFA launched its Strategic Partnership for Dialogue and Dissent. This exemplary funding instrument encouraged adaptive programming and flexible results monitoring, allowed considerable room for budget adjustments, and formulated programme documents around pre-determined outcomes only, with no mandatory output indicator frameworks set in advance.
	Request risk updates	Ask partner organisations for regular reviews of which risks from the proposal have manifested or subsided, as well as new emerging risks and opportunities, in order to understand the context and the reasoning behind requests/changes.	



Implementation & monitoring phase

<p>Monitoring and reporting</p>	<p>Build in qualitative learning</p>	<p>Create opportunities for learning, including on impacts outside of the direct results area, and balance independent (objective) reviews with information about the specific activities conducted.</p>	<ul style="list-style-type: none"> ▪ A prime example for livelihood programmes is reflecting on gender equality and women’s empowerment outcomes. ▪ Minimise technical reporting indicators, which narrow project impacts down to a few outputs or statistics, and fail to show the whole picture, and add room for reflection on beneficiary experiences.
<p>8</p> <p>Evaluations</p>	<p>Incorporate assessments of flexibility</p> <p>Feed lessons back into programming</p>	<p>Evaluate the extent to which flexible approaches (planned or otherwise) were used, and what the outcomes were on the programme. Also identify areas where more flexibility could have been useful.</p> <p>Move away from treating programme evaluations as independent evaluations at the end of the programme, and instead use interim results to adapt programme-specific and general project management approaches.</p>	<ul style="list-style-type: none"> ▪ Request specificity in the purpose of changes, the triggers, how they were managed, and what the outcomes were for the programmes. This maintains transparency and accountability whilst welcoming flexible approaches. ▪ <u>MEL in conflict and stabilisation settings: a guidance note (2019) by the UK government Stabilisation Unit</u> discusses how to feed lessons back into Theories of Change and project strategies. ▪ <u>Guidelines for monitoring, evaluation and learning in market systems development (2016) by USAID</u> lays out methods for outcome harvesting and measuring systems change.

Credits

Authors

Hannah Itcovitz (The Broker)

Rojan Bolling (The Broker & Netherlands Food Partnership)

Inge Vos (ZOA)

Picture

Front cover

Focus group discussion in Gambella, Ethiopia

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