42. Pfeiffer, Üçem, & Davis:

Project Management in International Development

0:00:02 Kendall Lott: Hey, PMs. I've got news. The Project Management Podcast Network is now officially online in your iTunes store and I'm proud to say that *PM Point of View* is one of the three seminal series featured on the network, along with *Fix My Project Chaos* with Elise Stevens and *Scope of Success* with Brian Wagner and James Kittle. Go to iTunes, enter Project Management Podcast Network and click the 'see all' button so you can check out all those great programs. And one other thing, if you're enjoying these PM Point of View podcasts, go to the iTunes store or wherever you get your podcast and rate us. Make sure to leave a comment. Let others know what you think. This will help other project managers find us when they're looking for project management podcasts.

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0:00:46 Peter Pfeiffer: We cannot stop just managing to create deliverables. We have to be concerned about the benefits that result from the deliverables.

0:00:57 Haluk Ucem: The problem is governments. They are not sustainable. Not the governments, also stakeholders. As times are changing, ruling persons are changing. Everybody has got different opinion.

0:01:10 Amy Davis: In 2012, when we were writing the proposal, there were very few financial service providers in our location. 2017, we are bumping into each other in some of the higher population areas.

0:01:23 KL: As a Peace Corps volunteer in Micronesia in the late 1980's, I saw firsthand the difficulties and challenges of international development: navigating strange cultural and political terrain, assessing the "felt needs" of a community or organization, and trying to meet those needs with realistic and viable projects; trying to assemble funding and resources by any means necessary, and then wondering if the benefits of the project you've toiled over will even continue once you've gone. Besides the beneficiaries, the stakeholders of international development projects often include international non-governmental organizations – NGOs – and sprawling government agencies and consortiums, each with an intricate web of regulations and oversight. This means we must have different project management tools and a keen understanding of the context of project outcomes. For this episode, I spoke with three seasoned professionals; Peter Pfeiffer in Brazil, Haluk Ucem in Turkey and Amy Davis in Zambia. All have spent years working in the field of international development and are familiar with the risk and pitfalls, what works and what doesn't.

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0:02:27 Voice-over: From the Washington DC chapter of the Project Management Institute, this is PM Point of View, the podcast that looks at project management from all the angles. Here's your host, Kendall Lott.

0:02:39 KL: Peter Pfeiffer, change management consultant and trainer has lived in Brazil for

almost two decades. He studied the sociology of development in Berlin and he went on to do his doctoral thesis on the *favelas* of Rio de Janeiro. For the past 20 years, he has specialized in project management: teaching, facilitating, consulting, and managing projects. Here's the PM hook: he focuses on the strategic design of projects and programs, the human aspects, and the impact of PM approaches on organizational development.

0:03:08 KL: How do you see project management in the context of sociology?

0:03:12 PP: Well, the basic aspect of sociology is to look at society and how it develops. And society develops whether you want or not, and what is reasonable to influence it in a positive way. And this is actually the main purpose of development projects. They have the purpose to promote social changes.

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0:03:46 KL: In what ways are you seeing that international development or development projects generally are different from commercial or engineering projects?

0:03:54 PP: Well, the first thing is the purpose of development projects is different from the purpose of commercial projects. So having this premise promoting social change as the purpose, there are different dimensions that are very important and yet kind of scary sometimes if you look at projects. For example, economy, you have development within the whole economical context then you have the dimension of politics. There's also a cultural dimension that is important and as a consequence, you have the behavioral aspect. So, all of these dimensions turn development projects extremely complex. For example, a commercial project, the owner of a project assesses risks and gains and can opt not to do a project if the conditions are very unfavorable. But in development, you can't do that. You can't just say, "Hey, these problems are too heavy, too difficult," and you left them.

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0:05:15 KL: When you made a reference to behavioral aspect, what were you referring to there?

0:05:19 PP: Well, if you think of the agricultural sector, you have to look at it in regions. You have traditions, you have traditional farms doing agriculture. And these traditional modes of production tend to be very low productive. Now, if you want to increase productivity, it's not just to get the machines or implements. Itmeans that the whole way of doing business or agriculture in this case has to change, so people have to change the way they're doing things. And that is sometimes, very, very challenging.

0:06:06 KL: As a function of completing the project, or once the project's completed what it's trying to do is get them to change their behavior?

0:06:12 PP: This is again, one of the basic differences between commercial and development project. A commercial project, you have a client who tells you what he wants, specifies the requirements and you offer it and you do it. In development projects, you don't have a client in this sense, in the commercial sense. You have beneficiaries, you have people who need support, but it's not homogeneous group. And secondly, the demands are sometimes so manifold that you have to

start discussing what you want to do, what the strategy will be.

0:07:00 PP: So, a development project should always start off with the identification of the problems – assessing the importance, the relevance of the problems. And of course, you have to limit in a certain way what problems we'll tackle. And this has, again, a lot to do with behavior because the problem identification, you shouldn't do just from outside. You have to do it with the future beneficiaries because they have sometimes different perceptions and perspectives. It's not just a matter of expertise that the next group goes to a situation, analyzes it, and knows all the answers.

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0:08:00 KL: It's interesting when you talk about it from a beneficiary perspective. One of the things that strikes me as kind of a classic definition, your client, those who are receiving the value of the work, and the customer, the one who pays, are different. It's kind of the political class I would guess, who is paying. Or maybe even be from another country, in the case of an international development project, right?

0:08:19 PP: Yeah, exactly.

0:08:20 KL: Yeah. So you've got one agenda coming from the customer and then of course a multiplicity of clients.

0:08:26 PP: Yeah, yeah.

0:08:27 KL: And you're also describing benefits around kind of some of this behavioral stuff, it strikes me that they're also not getting a product at a value, that it's a less tangible situation.

0:08:37 PP: Yeah. In part, it is tangible, and it should be tangible, but not all of it. And this has to do with the second important step after having identified what the problems are to be addressed, is the definition of the objectives, of the goals, what future situation you want to get to. And this is also something that should not be only... Be discussed or defined by, let's say, local government or national government or much less by international donor institutions. It should be included in this discussion the beneficiary and it should be done in my view with participative planning techniques, which does not mean that you put up an assembly and discuss a large number of people and vote or something, this is not the case, but you have to listen to different people from different perspectives in order to put up a project that makes sense to most of them.

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0:10:00 KL: As soon as you introduce so many people, who's paying, who's getting the benefits, what are the different agendas and perspectives, the act of even project planning becomes complex. Do you see the complexity as a barrier just the way it is, or is that a major concern?

0:10:16 PP: Yes, it is definitely. Because it hits two important aspects of the whole process. One is the let's say political institutional side, which means development you don't do just in a very tiny space. If it is to be of relevant impact, you have to align with different sectors, which is a very, very big challenge to do this institutional alignment within government. The other thing is the management aspect. So you have to have capabilities to do project management or program

management in many cases, from this perspective of a very complex environment. So, you can easily imagine that stakeholder management is very, very challenging and it very often becomes a nightmare because you have to manage the stakeholders like in government institutions. And then you have to bring beneficiaries and sometimes you have to even bring international donors, and you have the project internal stakeholders, and you have all the external stakeholders, beneficiaries, who sometimes you have groups that are against the project because if you do the project, they may have disadvantages. So that's very challenging.

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0:12:03 KL: It's one thing to have to manage all the different stakeholders but then the driving to an agreement on anything becomes even that more difficult. You're almost in the center of a political negotiation because of the nature of the project. These are social issues in some cases.

0:12:17 PP: Exactly, exactly.

0:12:18 KL: Yeah. So I would imagine then, the planning process probably is harder to do in a linear sense, your classic WBS and decomposition method, because they're not going all be on the same page or all in agreement as you develop how this will happen, I would imagine.

0:12:34 PP: Yes, definitely. So you have to look out for a number of tools and techniques that are not so common in, let's say, typical or traditional project management. For example, WBS is something that I personally use but in a very limited way because in a development project, you have medium or long-term planning but you have very short cycles of reviewing because things, people, institutions, circumstances change all the time. So if you have a very complex WBS, you will spend a lot of time just adjusting it. So, it is a tool that works but only in a limited way. What I personally use, and I've been working on that for many years, is the Logical Framework.

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0:13:41 PP: Actually, I have recently published a New Logical Framework, a revised version. And the Logical Framework is a tool that has been around in international development for well over 40 years. It has a basic logic or rationale, you could say, the connection between the overall goals that are directing the project or program, you have the outcome, which is to find the changes that you effectively want to have in your beneficiary group. And then, you have the outputs, which are those deliverables that are produced by project. And the important thing is to recognize that a project can deliver certain things, goods and services, but it cannot deliver change which is the main purpose. And everything that the project is doing in terms of services, of goods, of training, whatever, has to be oriented towards the purpose, which is the change of a situation in institutions, in groups, in persons, to contribute to a wider context that we could call development.

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0:15:18 KL: You mentioned that the project doesn't deliver change, that's a bit of a shocker. Explain what you mean by that. What does the project deliver if it's not change? It delivers the, what?

0:15:28 PP: For example, it can deliver training. So if you identify, in a given situation, that people are not so productive because they don't have the skills, the knowledge, and so forth, you can

deliver training. You cannot make them work in a different way because it depends on them to apply the knowledge you're giving them, so that's where the change happens.

0:16:00 KL: I see. So projects produce outputs, things that are used. The larger picture is then what happens to those outputs and where do you get the outcome you want? The change, which is a benefit.

0:16:12 PP: Exactly, that's the point. And that's, again, very different from commercial projects. If I contract a project to deliver certain goods to me, I do with it whatever I want. I can change my life or I can leave it, but that doesn't make sense in development projects. You put in public resources, local, national, international, and it doesn't make sense that you produce certain goods or services that are not being used. And exactly the usage of the outputs you cannot guarantee, but of course, you have to build your project strategy in such a way that it is plausible to conclude that that change will happen, but you will never guarantee it.

0:17:15 KL: So what are some examples of development projects as we're talking about this?

0:17:18 PP: Well, I'll give you an example of a project that I assisted last year in the health sector. It was a group of municipalities with a rather low income average, and the health workers working hard. And the foundation offered a capacity building project. And within this capacity building project, they asked me to offer project management. At first, the health workers found it strange and thought, "Project management, what the hell have we to do with project management? We don't do projects."

[chuckle]

0:18:06 PP: Well, they should but... Anyway, so I gave an introduction on project management, what it is and what it can be, and what benefits they could have from it. And as we went along, they started to perceive that projects can be an approach to help them. So the first step was to make them understand that if the structures and procedures where they work don't change, the whole situation won't change ever. So the result of that was, an organizational development project which looked at the structure and the procedures, so that it can be more effective.

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0:19:00 PP: You have more and more organizational development projects and they are very much the same as international development projects. So it's not only when you want to achieve social benefits, but if you want to achieve change, being social or organizational, behavioral, they all have the same characteristics. You produce something, you deliver something, and you have to make sure that these outputs are being used for the benefit of people and organizations. Benefits management is what we actually aim at with the logical framework, because we cannot stop just managing to create deliverables. We have to be concerned about the benefits that result from the deliverables.

0:19:58 KL: It sounds like we might have to have some specific benefits management training in this environment for development. It's projects that are about social impact and social change.

0:20:07 PP: I think a project has to think about the benefits since the beginning. It doesn't make sense that you have a project that doesn't bring benefits. And with benefits, I'm not talking in

commercial terms. I'm not talking about the financial return. But maybe also, the benefits for the organization.

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0:20:36 KL: So, you've been in Brazil now, what, 20 years you said?

0:20:40 PP: Yes.

0:20:40 KL: So in your 20 years, kind of to sum it up, where have you seen the project managers go wrong? Where have you seen it done right? Maybe some people listening to this podcast are thinking, "Huh, I'd like to take my skills into an international development situation or even into a domestic development. I like this idea of social impact." What's the thing they've got to know?

0:20:58 PP: Well, in international development agencies or supporting organizations, donors, etcetera, these institutions are very much limited to their own organizational, institutional policies, so there is a number of traps for international development projects. And one of them is, for example, "one size fits all," which means that these organizations have a certain standard, a certain way to design and to conduct their projects and they're not always adapting to the specific situations. So I think there should be a bit more flexibility.

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0:21:52 PP: Another thing is what is called, "accountability for result" trap. These institutions, they work with public funds and they have to show what they're working for and what they acheived, and they are very much focusing on results. Now, since change, behavioral change and social change, is very difficult to measure, and actually very often if you can measure it at all, you need some time afterwards. So it's more difficult to prove that your project was successful. In the face of these difficulties, they focus very much on results which are measurable and that does not always guarantee the changes. So...

0:22:47 KL: So what you measure doesn't really go directly to the change that is expected or needed?

0:22:53 PP: Yes. It may or may not go, but if it goes, you will not see it immediately. But organizations don't have the time to follow it up. Very often they just move on and go to new projects, new programs, and they have to prove in a certain way, what they did and what they spent the money on. And they look very much at the results in terms of outputs rather than outcomes in form of change.

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0:23:31 PP: So, project managers have to balance what they can handle and what they can actually manage, and those effects that are expected, that are in a certain way, justification for the projects in the first place but they cannot really guarantee.

0:23:54 KL: Yes, because they're not there for that as their project ends. Again, you're kind of back to..it's either at the institutional level or at least at the program level. So that actually makes it hard

to be a PM in this space.

0:24:05 PP: Definitely. Because sometimes you achieve some changes on the short-term, but if they are not sustainable in the long run, it doesn't really make sense.

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0:24:18 KL: I find it interesting that, in the context of development, projects don't necessarily bring about change. Projects deliver *outputs*; the *outcome*, on the other hand, is the change you hope to see. Ultimately, it's about impact. Projects serve as a catalyst to bring about those outcomes. Also, because we're often dealing with cultural change, it's important to get the participation of as many of the beneficiary stakeholders as possible, at the very beginning, when you're identifying and planning your project. One more thing to keep in mind is that the benefits may take months or years to present. So how, and at what point, can you measure or calculate that? That's a key point to consider and is absolutely crucial to the success of development projects.

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0:25:10 KL: Based in Ankara Turkey, Haluk Ucem is currently a Branch Manager and Project Manager for the German consulting firm Fichtner Group, which specializes in engineering and infrastructure development, as well as corporate policy and planning. When we spoke back in late 2015... Yes, this episode's been a long time in the making, Turkey was fully committed to its bid for membership in the European Union. Since 2016, however, these negotiations have been suspended. Still, the issues, the risks, and challenges that Haluk brings up here apply to a whole slew of international projects undertaken in the name of development.

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0:25:44 HU: In Turkey, the governmental organizations are applying to EU for funding. It's a grant. It has no return, no interest. It's a grant, given to candidate countries to develop themselves, transport, human rights, gender equality, security, to increase their level of development to EU countries. And then they apply EU with their projects, and some projects are selected. And if the funds are available, if the funds are allocated for these specific projects, EU announce and construction and consultants, the companies apply for this. And then they award it, and then they do the business. It works like that.

0:26:37 KL: So the country makes an application first?

0:26:40 HU: That's right.

0:26:41 KL: And that's why we call it international development. One country needs help and they ask the international market for some sort of funding process.

0:26:48 HU: Mm-hmm.

0:26:49 KL: It sounds like we have stakeholders, and money, and a good contracting environment. So, what do you find makes these projects, in some way, different than one that would not be in the international development area?

0:27:04 HU: First of all, EU has his own tendering procedures. This is applied to all candidate countries. In these countries, in candidate countries of EU, these tenders are prepared and launched by governmental organizations who are directly connected to EU. And by that way, all EU companies can bid for this tender, whether they are in Turkey, or in Serbia, or in Bosnia and Herzegovina.

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0:27:41 KL: Not using the local procurement laws, immediately kind of shifts how the interactions happen. You mentioned about the money too, because we're really looking a lot at project management as helping to build projects, so that there's a return on investment.

0:27:57 HU: That's right. For example, now, we are managing two wastewater projects, both of them are in Southeast Anatolia. Now, they are ongoing projects. What's the aim of a treatment plant? To clean the water at the discharge point, which is not harmful to human body. You cannot drink it, because it's not a drinking water treatment plant, but you can use it for irrigation.

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0:28:32 HU: To manage the sustainability in these projects, this discharge water is controlled by the laboratory established inside the treatment plant. And EU is monitoring the projects for seven years. During this period, from Court of Auditors in Luxembourg, some auditors are coming and auditing some of these contracts or plants. If the operation of the plant is not good, this treatment plant cannot clean the water. The wastewater comes into the treatment plant from one end and discharged without cleaned.

0:29:16 KL: Whoa.

0:29:17 HU: Then, if this happens for a long period, then the EU, they can get the money back from the government of Turkey via the Treasury Department. They call it as a recovery.

0:29:31 KL: They count it as a recovery?

0:29:34 HU: They call this process – to get the money back from the country – the recovery process. They prepare a report and if the country is found guilty for not operating the plant properly, the funding allocated for this construction is taken back from the country.

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0:30:01 KL: The project had to maintain a certain quality, or rather the operation did. So the project is the building side of it, is to put the plant in. And that's the part you work on, right? It's getting the proposal and then managing the development of the water treatment, for example. That's where your firm comes in, correct?

0:30:20 HU: That's right.

0:30:21 KL: So, you're not the ones that would face the penalty for a poorly designed plant. It's the

operation that's the problem, right?

0:30:29 HU: The design is prepared by the contractor itself. The reason is before the construction, during the bidding procedure, the tenders are giving a promise. They are signing a letter. At the end of the construction, the values of treated water is a certain amount. They are listing them. These will be the results of the treated water, and also they are giving promise the amount of chemicals that they will use during the operation. The operation is held by the contractor itself. Because of that, the contractor is making their own design, and the consultants, like us, my company, is just controlling and approving the design prepared by the contractor. And then, the construction is done by the contractor. And for one year, the plant is operated by the construction company. If at the end of the year, the amount of chemicals is above the amount, values, it was promised by the contractor then a penalty for 10 years of the operation costs is applied to the contractor and contractor has to pay this amount to the contracting authority.

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0:31:56 KL: How is this processed governed? Who manages the delivery of the project, that it has met the requirements when you're at the point of turning it over for that first year of operation?

0:32:06 HU: Before the operation, EU delegation in Ankara is in charge of the tendering process and the construction. The EU has a delegation in Ankara. It's the Embassy of EU. There is an ambassador, and several workers are working underneath: Engineers, lawyers, economist. During the tendering process, up to tendering, and up to contracting, all the approvals are given by EU delegation in Ankara. And then, during construction, the EU delegation is just monitoring if it is done as per technical specifications, as per contract, as per rules, which were signed by both parties. And after that taking over of the project, whenever the operation begins, for seven years, EU is sending staff – engineers, or could be lawyers, anybody who is controlling the operation. Once a year, they are coming and staying in Turkey for a week, and they are selecting some of the projects and watching how it is ongoing, what is done, are they moving through the aim or not.

0:33:22 KL: When you say moving through the aim, it means performing to the schedule that was planned?

0:33:27 HU: Yes.

0:33:27 KL: Or to the output that was planned?

0:33:29 HU: Both of them.

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0:33:37 KL: So, the funding comes from an external source. With that, comes a procurement process from an external source, an acquisition or tendering process. It brings governance from an external source, and they have built in essentially provisions for recovery if the project isn't right or if the operation of the project is not hitting the targets that were set, which is interesting because these targets, in my mind, they're the return on investment. In the market, you might have, is this product going to be worth some money or valuable or something that you can sell? But in this case, it's you're supposed to be treating water with less input and treating water at a certain quality. So,

their return on investment is, "Hit the targets that we said we would help the country with."

0:34:28 HU: That's right.

0:34:29 KL: That's what makes to me a very different kind of risk, I think, you face.

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0:34:38 KL: What do you see as risks in these international development projects?

0:34:42 HU: The first problem is before the financement, the governmental institutions are applying for some projects. But these projects are, how can I say it, preliminary designs, and the budget is calculated according to these preliminary designs.

0:35:01 KL: And things change, don't they?

0:35:02 HU: Yes. And these fundings are approved, and tender dossiers are prepared, and new designs of course are prepared. And it was seen two or three years later, the funding and the design preparation, there is at least two or three years between them, is completely different about the needs of the preliminary designs. At that point, EU is asking to the beneficiaries, "What's the reason?" And they say, "I don't know." It was prepared three years ago in a wrong manner, but at the time, the money's allocated, and the new design needs additional money. And what happens? Either the government of Turkey funds more, or it's redesigned. The design is changed.

0:35:58 HU: But at that time, this new design, it couldn't meet the needs of the governmental organizations. Then at the end of the day, a project or an output comes out, which does not make anybody happy.

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0:36:22 HU: This is the first point. Second, everything can be fine, it was tendered but there could be a problem due to unwillingness of the beneficiary. Three years ago they need it, but now they don't need it anymore, but somehow this money was allocated and they want to spend this money.

0:36:43 KL: He told me the story of a contract that was drawn up a few years ago to build an Appeals Court complex. Funds were allocated, buildings built, but by the time the construction was completed, the appeals law was no longer being applied in Turkey, hence there was no need for the Appeals Court.

0:37:00 HU: And all these three buildings which were constructed for the Courts of Appeals buildings are now used as supplementary buildings for the Ministry of Justice. And if they do not use this building for the purpose of the project, then again a recovery comes out.

0:37:18 KL: Because what the EU wanted to build was Courts of Appeals, they said, "Fine. But we'll use it for something else." EU said, "You've got to give us the money back."

0:37:26 HU: That's right, that's right.

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0:37:33 KL: So this is a case where there's a real potential disconnect between stakeholders?

0:37:37 HU: This is a lack of sustainability between the stakeholder authority. The ones who applied for the project three years ago is not there anymore. They are going for somewhere else. And the new administration, who are working there thinks something differently.

0:37:58 KL: Yeah, it's a lack of continuity, definitely, right?

0:38:01 HU: Yeah.

0:38:02 KL: What would help that? Would a faster tendering cycle support that or... It sounds like you could try and fix that on either the stakeholder side or on the donor side.

0:38:14 HU: The bureaucracy in EU is too slow. The approval process is always late. Because of that the staff within the stakeholders, even the stakeholders, can change. If the tendering process is very fast, they approve the funding and the... For example, it could happen in one or two years then there won't be any problem. If meanwhile, if government is changing, you can't think of what will happen. Maybe the new government can say, "No, I don't need this investment anymore."

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0:38:55 KL: So a lot of potential risk just in the stakeholder groups because of how control is happening, it sounds like.

0:39:01 HU: The application, the funding and the construction lasts for seven, sometimes 10 years. And then this time the mayor says, "Excuse me, if I cannot see the target, why should I do this application?" Because he is putting the signature and everything has got some risks. And at the end of the day, somebody will make the harvest. And the new mayor says, "Oh, in my time, all these constructions are done. Now you have clean water, now your wastes are collected properly." But in fact, this investment was done by the previous mayor, and he got the harvest and he is taking the votes in the next coming elections.

0:39:56 KL: Wow. So many political twists and turns to consider here – where you're not only dealing with shifting governments but also the egos and agendas of all the players (particularly political players), and project timeframes that are almost glacial when you compare them to the fast changing political landscape. On top of that, you have to deal with various governance boards and their regulations and oversight. The political scene makes this type of international development much more difficult.

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0:40:31 KL: Amy Davis started her international development career as a Peace Corps volunteer in Senegal, West Africa, where she worked on community development in a small village. For the past 25 years she has specialized in microfinance and worked in countries all over the world, from Haiti to Uganda, to Burkina Faso. She's currently Chief of Party for a program funded by Mastercard Foundation and managed by Catholic Relief Services or CRS. The project, "Expanding Financial

Inclusion in Africa," spans four countries, Zambia, Uganda, Burkina Faso and Senegal. I connected with Amy via Skype at her base in Lusaka, the capital of Zambia.

0:41:08 KL: So you're Chief of Party, and so for people not familiar with this space, this actually probably means you have a project manager or two, or more below you. This is really kind of like you're running an entire division.

0:41:19 AD: I think sometimes they call me Project Director and then the USAID term is Chief of Party, so it's a traditional term for the person that's ultimately responsible for the results of the program. And I have four country program managers and their teams underneath me, which if we want to talk about challenges of matrix management, we can do that as well because I'm based in Zambia and they have other managers doing administrative support. So sometimes that can be confusing. I also have a team that coordinates all four countries, four people here in Zambia that I manage as well.

0:42:04 KL: So let's get this scope of this current effort that you're Chief or Party for. How would you best describe it? What is it attempting to do? And what the schedule is? So, how long will it last? And what is the scope of it? Let's lay that baseline down.

0:42:17 AD: Okay. So we started in September 2013 and we're going to wrap up by December 2017. So we're in the last mile. The objectives of the program were to reach out to rural, financially excluded communities in all four countries and provide savings and lending services. So we train communities, we train groups in the rural sector to save their own funds, keep their own books, create their own bylaws and lend out funds to each other, pay interest on those funds and then they reap the dividends at the end of the cycle, which is about a year and it's part of the savings group movement.

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0:43:11 AD: The scope of the program, all four countries reaching out to 500,000 members and to date we have 540,000. So we have scaled up successfully in all four countries. We train the field agents, we certify them and we advertise their services in the communities where they're going to get a fee for their services. So they can go out to communities, negotiate a fee-based operation. They train up the groups, they train them in the bookkeeping. They keep an eye on them for six to eight months and then they move on and train more and more groups.

0:43:46 KL: So the groups pay enough to be able to afford a kind of certified instructor or a certified representative of how to set this up?

0:43:53 AD: Yes. It's pretty affordable. You know, you split the cost between 20 or 30 people. We've kind of kept an eye on the program so we can spot any kind of pyramid schemes or fraud or increased prices that would become an obstacle for poor people to join the groups. So, we think that this setup is a great way to prepare for post-project sustainability. We've done a lot of research on it too, so that will also be coming out in the next six months. Did it work? What worked best? Are people paying? How much are they paying? What percentage of the income are people earning off of this particular activity as compared to their agricultural production or their boutiques or something like that.

[music]

0:44:51 KL: So now putting our lens on from a project perspective. So in the world that I'm coming out of, we refer to projects as something that's going to create a good or service that is time-bound. It's a temporary endeavor. So I could frame this, your four-year effort, as a project, because there was a start. You had to produce essentially a platform, a way that they can continue and then you shut down. So when we look across your project, what area have you found the most difficult because it's an international environment?

0:45:24 AD: So I would say the biggest difficulty is communication and it's because we don't have that many interesting ways to communicate virtually. So you're on the phone or you're on Skype, maybe you have a webinar, bandwidth is low, people are in the fields. We have not been as successful as I would have liked to have had that regular communication with the entire team. Because it's very difficult to schedule that and, as well as Skype works, there's lots of times it doesn't work for us. So I've tried team meetings with all four countries and then I've also added a layer onto that to have only the country program teams on calls. And then I had a weekly meeting for a while and then a bi-monthly meeting and now a monthly meeting.

0:46:22 KL: Searching for the right tempo there, it sounds like.

0:46:25 AD: The right tempo and we also have had face-to-face meetings with the entire team. And then we have my office, which sends people out to do different things around technical assistance for management. So I can travel, my deputy can travel, the technical advisor can travel, and so we have touchpoints where we're actually on the road, in the air, and we see people live.

[music]

0:47:00 KL: How does The Matrix Management play out for you? And how has that affected your ability to work the project?

0:47:05 AD: Catholic Relief Services has entities in 90 countries in the world and so they have their own hierarchy. So they have a country representative, Head of Programs, Head of Operations. They have their skeleton staff and they have multiple projects and technical people. So the way the program was organized in the beginning, I came in really as directly managing these people. They were there 100% for the project. Eventually, people in the country program who they administratively reported to... So this is The Matrix. I am their project director. My funds pay their salaries. They administratively report to someone else in the country office.

0:48:00 KL: Classic non-unity of command.

0:48:02 AD: And those people aren't accountable to me. They're accountable to their country representatives. So I have a team of people in a country program who report to me technically, on the production side, the operation side. But in human resources and the personnel issues, they report to someone else.

[music]

0:48:28 AD: So I have to spend time talking to two or three more people up the chain in the

Country Program, as opposed to just dealing with my production team.

0:48:37 KL: And that's the classic response. It means that the managers themselves have to be matrixed. You have to find a place where the two branches converge.

0:48:45 AD: That's right. People are not directly reporting to me, and they start getting pulled into two directions. And it's not fair to the staff, right?

0:48:56 KL: Right. Right.

[music]

0:49:02 AD: I felt strongly that this wasn't the right structure, but I felt like after two... I don't know, it was two-and-a-half years we did the mid-term evaluation. I said, "You know, it'd be even more difficult to change it now." And the longevity of the staff person in the Country Program might depend on their relationship with their immediate in-house supervisor. They need to stay in the Country Program, they need to get a new job, they need to be promoted. So maybe you have to kind of have to put some of your ego and your management style to the side and say, "Okay, you don't want it to compromise quality, but you also don't want to put that individual staff person in a difficult situation."

0:49:50 KL: Right.

[music]

0:49:57 KL: So let's talk more broadly then. You've got four countries in there. How much have the difference of geography and language, or culture, ethnicity; any of those kinds of things... How much has that been a sticking point?

0:50:10 AD: I think we've done a really good job at translating. The English speakers would miss out on what the French speakers were saying, even though there might've been a translator. Because you can't translate as fast as people talk. Especially if there's a debate going on or somebody's very passionate about something. So we've had bilingual people on the regional office team with me, as well as myself. And we've just used tools: Google Translate...

0:50:42 KL: Right.

0:50:43 AD: But you can see that the cultures and the personalities are completely different from West Africa to East Africa and Southern Africa.

0:50:52 KL: How does that actually play out as a difficulty? It just makes difficulty in team meetings? Or does that affect...

0:50:56 AD: It does make it... It is difficult in team meetings. So, we have to do a lot of team-building. We have tried to get the... Doing pairs, having people have peer mentors across the four countries. These are the things that we would do face-to-face, we encourage that there's some cross-communications. If somebody said, "I have an issue about this," I said, "Why don't you contact so and so?" "Oh, well they are French speakers." I said, "Yes, but they speak enough English that you

could communicate with them on email or on Skype." So you have to keep pushing the intercultural communication. And we got some facilitators. So external facilitators would come in and do some stuff with us. But tried to pair someone from Uganda with someone in Senegal.

0:51:45 KL: I see.

0:51:46 AD: So then they would commit to communicating with each other on a regular basis. We also did some competition, so people would get recognized. Mostly around production targets, but not only production targets. I think that they've all become very good friends. And I think they have a lot of respect for each other. And that's a big difference from when we had the first workshop.

[music]

0:52:18 KL: What did you see as the biggest risk factors when you started the project?

0:52:22 AD: So, I think one of the obvious risks is fraud, because you're working in the poorest countries. And so we had a very stringent requirements on reporting. Reputationally, that's a big risk for organizations like CRS. And we take it very seriously. We have a zero-tolerance policy.

0:52:42 KL: And how did you address that? You just said, "We had zero-tolerance." That sounds like communications, and a willingness to state a culture of, "We won't have fraud here."

0:52:49 AD: I have a deputy who is the senior finance manager, and then we have accountants in every country. And then we have to do monthly and quarterly reporting. And we have to print and scan every receipt. So it's quite arduous, but the Mastercard Foundation was quite adamant about extensive and intensive accountability.

0:53:10 KL: So you put in extra management and extra process, if you will, as ways to combating that one.

0:53:14 AD: Yes. That's right.

0:53:15 KL: Okay.

[music]

0:53:21 KL: You said that reflected a reputational risk. Was there other risks you that you experienced with this one, as you were setting it up?

0:53:26 AD: I don't know if this is a risk, but a challenge is personnel. We haven't had exponentially high rate of turnover. But because we're a very lean operation, if a key person leaves, it does take quite some time to hire and train that person up to speed.

0:53:44 KL: How many key persons do you have? Or what percentage? Is that like five or six people? Or is that 20% of everyone involved, or...

0:53:51 AD: I would say... Because of our production target, everyone was key, really. Because you're creating a strategy where you're covering a geographical location with one supervisor and,

let's say, 10 agents. And each of those agents is a separate geographical area. So if an agent drops out, then that whole geographical area is not being covered. And we do this extensive training and certification program. So if they miss that 8-month training and certification period, it's too expensive for us. We did two cohorts just to make sure that we get it right and then you get it right again so you improve your processes. If those people drop out, it's very difficult to then expand their neighbor's geographical area of operation two times.

[music]

0:54:48 AD: We tried to do a really good job at selecting locations, so we wouldn't bump in to other "competitors." Now, we are all charitable organizations but we're competing [laughter] Let's say in 2012, when we were writing the proposal, there were very few financial service providers in our location. Well in 2017, we're bumping to each other in some of the higher population areas.

0:55:18 KL: Of course this is good for the local population who now has access to more and more of these services.

0:55:22 AD: Choice is good but what about now you've become a bit more savvy and you're in three groups. And then you are robbing Peter to pay Paul. Number one, are you putting the majority of those people on those groups at risk if you fail to repay your debt to that group? And the one thing that I try to do is to go and work with other operators and say, "Look, most of us are being funded by donor funds, there's no reason to be redundant. There are more people out there that aren't being served. We're not doing this to earn a profit, we are doing this to create a sustainable solution for these communities." But they've also got their targets. So that has been a risk and I think this has created some tension on the ground between different agents.

[music]

0:56:18 KL: Is what makes it more difficult the international aspect of multiple cultures, multiple countries, multiple laws? Or is it the development aspect? I guess we could relate that to trying to create markets, trying to create social good situations and probably relate it to donors. The way you get capital is different.

0:56:38 AD: So I would say that the global nature of this project, not the international but that you have four different countries. I don't want to repeat that experience anytime soon. I do think that donor driven projects can be inefficient and redundant.

0:57:02 KL: Redundant, yeah. Is a planned use of funding rather than a market driven one and there's probably pros and cons to both.

0:57:09 AD: And I think the governments are also becoming stronger. It varies, obviously, from country to country but the NGOs have done a lot of work that governments should have done in the past and now are doing. And I see a lot of progress in that sense. I think what the future holds is that there are less programs run by expatriates and more and more Africans will be running these programs, as it should be. And there is always a risk of transparency and accountability, but I think much less so now in societies where we have a higher level of education and middle class development. And I see that donors are actually encouraging this as well: "local hires," "find local talents," "train and promote local people."

[music]

0:58:11 KL: What I thought was interesting with Amy's discussion was the fact that she found project management problems that we see in so many projects, but which are highlighted and indeed exacerbated in the international context. The biggest one being the distributed teams and the related communication structure that it has to engage with. Additionally, there's the problem of Matrix Management, where team members report to different power-holders within an organization. These are certainly complications that we all face and that seem to be much more difficult in this environment. Her answer seems to be getting to the team building aspects as early as possible, we've heard that before.

0:58:48 KL: It's clear that development projects, and international development projects in particular are among the more complex projects you will come across. Just consider the stakeholder management aspect alone, clients, government institutions, the beneficiaries, maybe a group of dissenters within the community you're supporting, international donors, each with their own agenda, not to mention the internal stakeholders within the project itself. The multitude of layers and entities that play into these projects is nothing short of chaotic. They cross cultures and in fact often aim to shift cultural norms and practices for a positive social impact.

Special thanks to my guests Peter Pfeiffer, Haluk Ucem and Amy Davis.

0:59:28 Voice-over: Our theme music was composed by Molly Flannery, used with permission. Additional original music by Gary Fieldman, Rich Greenblatt, Lionel Lyles, and Hiroaki Honshuku. Post production performed at M Powered Strategies and technical and web support provided by Potomac Management Resources.

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