Some years ago, we were asked by an international agency to spend some weeks in Central Asia, specifically Kyrgyzstan and Kazakhstan. We were tasked to look at several different programs there and to determine whether or not the donor agency we were working for might invest more money to improve its programming. They had an interest in utilizing this ‘new kind’ of capacity development methodology - performance improvement/organizational dynamics theory. They wanted to see whether they could be more effective while achieving increased sustainable results and how it might be included in their new five-year strategy.

We were asked to look at a wide variety of projects including health and business development programs. A particularly complex program involved a cluster of different agricultural projects in the Fergana Valley in Kyrgyzstan. The reports on these activities were glowing with success. All indicators had been surpassed. Our assignment in this case was to do a quick assessment of the status and recommend strategies for potential phase 2 funding.

Kyrgyzstan is quite a small country bordering China in the North and at the very edge of Central Asia. Kyrgyzstan itself is mainly mountainous. It harbors a lot of natural resources but they have not been effectively accessed. There was a single goldmine which, at the time, accounted for 50% of the GDP of the whole country.
The Fergana Valley was first divided (to assure discord) by Stalin between what have since become three independent countries: Uzbekistan, Tajikistan and Kyrgyzstan. The valley had once belonged to Uzbekistan which is a power-house of a country of 40 million people. The valley is a source of continuing unrest between the people living along the borders who are competing for trade and water.

This assessment was interesting for several reasons. The economics of the area was mainly subsistence farming among small-holders. The agencies had come in with the objective of increasing crop yields mainly for the existing crop selection - fruit, vegetables, cotton and different types of grains. This meant the introduction of fertilizers, the use of upgraded machinery and other improved input to increase the yield. Aid agencies were involved but obviously fertilizer companies were also keen to subsidize the market in order to grow it. It was quite an ambitious project. They began to organize the farmers by creating a kind of farmers' union - the Association of Agribusinessmen of Kyrgyzstan - for the subsistence farmers who depended on selling their produce in local markets. An early focus was on increasing tomato production. Over a short period of just a few years the yields increased greatly. The project's indicators for increased use of inputs and increased yields at harvest were surpassed wildly.

However, unexpectedly to many, this was a disaster. Other government projects in the sector and other programs in the region, supported by international aid donors, were to focus in parallel on expanding export markets for agriculture including tomatoes. This effort had been stillborn due to various political and technical factors. Thus the explosion of tomato yield created a large surplus on the internal and regional markets. There was no scheme to export tomatoes. Prices were crushed because there was now a far greater supply than was needed for the local population of a quickly perishable fruit. With only a few processing plants (there had not been success in attracting foreign investment for food processing factories), this created a crisis. Along with the financial shortfall for the larger growers, there was an even worse impact. For decades, small private freeholds among the poor grew crops (along with tomatoes) in small plots to sell in the local farmer markets. Given the glut of the harvest, prices dropped over 80%. So the end macro outcome in-country was a further collapse in family income and more poverty among the poorest people. Several other parallel (in actuality, linked) projects then failed, so that the ‘beneficiaries’ suffered in many aspects.

What we found was that these various development aid programs were never really managed as an integrated whole. They were all stand-alone, with check-lists measuring progress by indicators that were good for the specific project itself but did not provide worthwhile data for the sector or the overall situation. While the indicators were quite useful for the individual program, they missed the macro view and were measuring the wrong things for the goal of reducing poverty. No one looked at, devised or considered the program to be a complex system.

Interestingly, this lack of integration and cooperation extended even to the physical arrangements within one of the main aid donor’s facilities. During our visit, we found that the programs for two sectors - agriculture and the other economic development - were under separate managers. More striking, the offices where these projects were being run had two sets of locked doors between the sections, for security purposes. If one actually wanted to go and talk to a colleague and discuss the overlap, or the unintended consequences, it was literally very difficult to get the keys to visit and transit within the office. So information sharing just did not happen very often, except for casual conversation in the canteen.

Physically -- strategically and managerially -- the administration of these projects were siloed. Projects were set up as standalone -- and successful by the measurement of selected indicators. Unfortunately, the end result of a non-systemic approach turned out to be dismal failure. And catastrophic for the ‘beneficiaries’. But the projects’ checklists was all ticked off. That was apparently good enough for all responsible. Things did not get better in Kyrgyzstan.
WHAT IS GOING TO HAPPEN IF YOU ARE SUCCESSFUL?

Perspective is important. If you look at something very close up with narrow indicators it can give you a very different result, compared to considering the broader (complex) picture. Surely, designing and managing systemically is what you have to do when you are working to support reforms for upgrading an economy or transitioning citizen services nationwide; that is, having an impact on peoples’ lives. It is difficult to achieve the right outcome when people do not get rewarded for considering that what they do must be broadly sustainable or for taking them integrated, complex view. Incentives for action must interlink across plans and projects.

We were able to recommend a more integrated approach for the contracting donor agency at the point when they were starting a new 5-year planning cycle. We completed our diagnostic, made recommendations and we have been periodically back to the region. There were apparently some lessons learned but very limited change of approach, nor recognition that the bigger picture and interlinking strategy are critical elements of advanced planning. That lesson has not been well learned.

Few sectoral technical experts have the expertise or often do not have the experience in complexity theory, organisational design and dynamics to enable them to understand that these things are priorities and have to be constructed into the plan and decision making.. Everybody wants the trend, their results to go ‘up and to the right’ (on the graph), so the same mistakes are made again and again. The result has been for every step forward that is taken with one individual project, there are often two steps backwards in unintended consequences that create unexpected and sometimes negative consequences for another element of the overall picture.

Proper planning and implementation require an integrated consideration. It slows down the process a bit. Most often project planning is done considering current conditions. Then the program’s requirements are cast in stone once the funding is approved. Why are flexibility band iterations required? While the program is churning through approvals nothing else is static. Time lags ignore the dynamics on the ground. Leadership grasps these dynamics; management designs programs with this information. That, in turn, requires trust at multiple levels: development and project work is a live process, responsive to a changing context. Are you in such a hurry not to take time to consider these vital aspects of managing successfully?

Kyrgyzstan was a dramatic example of the missteps that happen all the time on different scales. The weaknesses affected the lives of tens of thousands of people because no one sat down and had the meeting that said ‘What is going to happen if you are successful with your project? How will it impact on us?’ No one ever asked those essential questions in the Fergana Valley.

REFERENCES


Steven J. Kelly has been involved in performance improvement efforts for 40 years in both commercial and government arenas. After relocating his operational focus to Central Europe in 1990, he has applied performance improvement methods to projects in 30 countries as diverse as the Czech and Slovak Republics, Kazakhstan, Palestine, Ukraine, Nicaragua, Albania, Cyprus and Rwanda. Steven is the founding partner of KNO Worldwide in 1979. His academic credentials include advanced degrees in Business, Political Science, and Management/Human Relations. Steven is an ISPI Lifetime member who served two terms on the Board of Directors.

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